G-2 Report

RESTRICTED 6-1

6120

OFFICE CHIEF OF STAFF
MIL., INTEL. DIV.
OCT 5 1937
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WAR DEPARTMENT

CHINA (Military)

Subject: Organization - Armies

Organization of the Chinese Army

RECEIVED G/2 W.D. OCT 5 1937

This report shows the organization of the Chinese Army according to our latest information. The stations of divisions are shown, but it has not been possible to take into account all moves since July 8, 1937, when the Lukouchiao incident near Peiping precipitated the present crisis in North China.

At present the Chinese Army has approximately 175 divisions, which may be divided into categories as follows:

(1) Class A divisions, which are the present standard division of the Chinese Army. They are organized into two brigades of two regiments each (some have additional reserve regiments), with a paper strength of 10,000 per division. Our records show 36 Class A divisions, which are the best trained and equipped in the Chinese Army. They may be considered as Chiang Kai-shek's own forces, except for two divisions in Shantung which belong to the forces of Han Fu-chu and are designated as "AS."

(2) Class B divisions, representing the old Chinese organization of six regiments per division, organized sometimes into two, sometimes into three brigades. The paper strength of a B division is 14,000, but the average is around 9,000.

Class B divisions may be further divided into two groups, those over which the Central Government has a considerable amount of direct control (designated in this report as "BC" and semi-independent provincial divisions over which the Central Government has only nominal control. These are designated as "BP." "BC" divisions are generally better trained and equipped than "BP" divisions. This report shows 39 "BC" and 44 "BP" divisions.

(3) Class C divisions. These are weak in numbers and auxiliary arms. They often have no brigade organization, and in general consist of three regiments each, with a paper strength of about 7,000. We estimate that there are 26 Class C divisions under the direct control of the Central Government (designated as "CC"), and 25 which are considered as provincial troops. These latter include the old Northeast Army, the former troops of Chang Hsueh-liang. They are designated in this report as "CP."

Where no designation is shown after a division, its classification is not known.

The strength of divisions as shown in this report is in accordance with the latest information received in this office, and does not conform to the strengths for the various classifications as shown above.

From M/A, China Report No. 9582 August 5, 1937

RESTRICTED

ROUTE ARMIES

The 3rd Route Army (Shantung) Han Fu-chü

20th Division
22nd "
29th "
74th "
81st "

Independent Cavalry Brigade
Pistol Brigade
1st & 2nd Artillery Regiments

The 4th Route Army (Kwangtung and Fukien) Yü Han-mou

151st to 155th (incl.) Divisions (Kwangtung)
156th " (Fukien)
157th " (")
158th to 160th (incl.) " (Kwangtung)

The 5th Route Army (Kwangsi) Li Tsung-jen

7th Army Corps -
171st, 172nd, 173rd Divisions
48th Army Corps -
174th, 175th, 176th "

The 6th Route Army (Szechwan) Liu Hsiang

21st Army Corps -
145th, 146th, and temporary 2nd Division
23rd Army Corps -
147th 148th, temporary 9th and 10th Brigades
41st Army Corps -
122nd, 123rd, 124th Divisions
44th Army Corps -
149th, 150th, temporary 9th Brigade
45th Army Corps -
125th, 126th, 127th 128th, 131st Division
47th Army Corps -
Temporary 23rd, and 104th Divisions

The 10th Route Army (Yunnan) Lung Yun

3rd, 5th, 7th, 9th Independent Brigades

The 11th Route Army (Anhui) Liu Mao-en

15th Army Corps -
64th and 65th Divisions

The 15th Route Army (Ningsia) Ma Hung-kuei

35th Division
1st, 2nd and 3rd Mixed Brigades
1st and 2nd Cavalry Brigades

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The 16th Route Army (Szechuan) Han Yung-chuan

10th Army Corps -
- 41st Division
- 42th "

36th Army Corps -
- 5th Division

The 17th Route Army (Shensi) Sun Wei-ju

38th Army Corps -
- 17th Division
- 177th "
- 1st, 2nd, and 3rd Independent Brigades

The 20th Route Army (Kiangsi) Cheng Feng

75th Division
76th Division

The 22nd Route Army (Kiangsu) Chiang Ting-wen

1st Army Corps -
- 1st Division
- 78th "

2nd Army Corps -
- 9th Division

The 25th Route Army (Anhui) Liang Kuan-ying

32nd Division
33rd "
5th Independent Brigade

The 26th Route Army (Hopei) Sun Lien-chung

42nd Army Corps -
- 27th Division
- 30th "
- 31st "

The 27th Route Army (Shensi) Fang Chin-tsai

7th Army Corps -
- 42nd Division
- 169th "

Note: The organization of Route Armies is not stable, and may be expected to change frequently.

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ARMY CORPS

1st Army Corps (Kiangsu) (22nd Route Army) Hu Tsung-nan

1st Division
78th "

Temporary 1st Army Corps (Kansu) Teng Pao-shan

165th Division
10th and 11th Independent Brigades

1st Cavalry Army Corps (Shensi) Ho Chu-kuo

3rd and 6th Cavalry Divisions

2nd Army Corps (Kiangsu) (22nd Route Army) Chiang Ting-wen

9th Division

Temporary 2nd Army Corps (Tsinghai) Ma Pu-fang

100th Division
5th Cavalry Division

3rd Army Corps (Honan) Tseng Wan-chung

7th and 12th Divisions

4th Army Corps (Kweichow) Wu Chih-wei

46th Division
90th "

5th Army Corps (Shensi) Yueh San

23rd and 43rd Divisions

7th Army Corps (Shensi) (27th Route Army) Feng Chin-tsai

42nd and 169th Divisions (Note: 7th Army Corps has possibly been abolished)

7th Army Corps (Kwangsi) (5th Route Army) Liao Lei

171st, 172nd, 173rd Divisons

9th Army Corps (Kweichow) Hao Weng-ling

54th Division

10th Army Corps (Szechwan) (16th Route Army) Hsü Yuan-chuan

41st and 48th Divisions

13th Army Corps (Suiyuan) Tang En-po

4th Division
89th "
7th Cavalry Division

14th Army Corps (Honan) Wei Li-huang

10th Division (there is a temporary 10th Division in Fukien)
83rd "

15th Army Corps (Anhui) (11th Route Army) Liu Mao-en

64th and 65th Divisions

16th Army Corps (Shensi) Li Yun-heng

53rd Division

17th Army Corps (Shensi) Hsing Chen-nan

2nd Division (There is a temporary 2nd Division in the 21st Army)

18th Army Corps (Kwangtung) Li Shu-sen

11th and 14th Divisions

19th Army Corps (Suiyuan) Wang Ching-kuo

70th and 72nd Divisions

20th Army Corps (Kweichow) Yang Sen

133rd, 134th, 135th Divisions

21st Army Corps (Szechwan) Tang Shih-tsun

145th, 146th and Temporary 2nd Division

23rd Army Corps (Szechwan) Pan Wen-hua

147, 148th Divisions, and Temporary 9th and 10th Brigades

24th Army Corps (Sikong) Liu Wen-hui

136th, 137th, 138th Divisions
1st Independent Brigade

25th Army Corps (Kansu and Shensi) Wan Yueh-huang

49th Division (Kansu)
51st " (")
140th " (Shensi)

26th Army Corps (Hupeh) Hsiao Chih-chu

44th Division

27th Army Corps (Kiangsi) Liu Hsing

92nd Division

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28th Army Corps (Hunan) Tao Kwang

15th, 16th and 62nd Divisions

29th Army Corps (Hopei and Chahar) Sung Che-yuan

37th Division
38th "
132nd "
143rd " (Chahar)
9th Cavalry Division
1st Cavalry Brigade
13th Independent Brigade
26th " "
Special Service Regiment
Training Corps
3rd Independent Brigade (Chahar)
39th " " "
3rd Cavalry Brigade "
8th " " "

32nd Army Corps (Hopei) Shang Chen

139th, 141st and 142nd Divisions
4th Cavalry Division
2 Independent Cavalry Regiments

33rd Army Corps (Shansi) Sun Chu

66th and 69th Divisions

34th Army Corps (Shansi) Yang Hsiao-ou

71st Division

35th Army Corps (Suiyuan) Fu Tso-yi

72nd Division
7th Independent Brigade
1st Cavalry Brigade

36th Army Corps (Szechwan) Chou Yun-yuan

5th Division (There is also a 5th Division in Sinkiang (?))

37th Army Corps (kansu) Mao Ping-wen

8th Division (also a temporary 8th Division in Hupeh)
24th "

38th Army Corps (Shensi) (17th Route Army) Sun Wei-ju

17th and 177th Divisions
1st, 2nd, and 3rd Independent Brigades

39th Army Corps (Chekiang) Liu Ho-ting

56th Division
45th Independent Brigade

40th Army Corps (Honan) Pang Ping-hsun

39th Division

41st Army Corps (Szechwan) (6th Route Army) Sun Chen

122nd, 123rd, 124th Divisions

42nd Army Corps (Hopei) (26th Route Army) Sun Lien-chung

27th, 30th and 31st Divisions

43rd Army Corps (Hunan) Kuo Ju-tung

26th Division

44th Army Corps (Szechwan) Wang Tsan-hsu

149th, 150th Divisons; Temporary 9th Brigade

45th Army Corps (Szechwan) (6th Route Army) Teng Hsi-hou

125th, 126th, 127th, 128th, 131st Division

46th Army Corps (Shensi) Fan Sung-pu

79th and 95th Divisions

47th Army Corps (Szechwan) (6th Route Army) Li Chia-Yü

104th Division
23rd Temporary Division (the 23rd Division is in Shensi)

48th Army Corps (Kwangsi) (5th Route Army) Hsia Wei

174th, 175th, 176th Divisions

49th Army Corps (Honan) Liu To-chuan

105th, 112th, 129th Divisions

51st Army Corps (Kiangsu) Yu Hsueh-chung

113th, 114th, 118th Divisions; Artillary Regiment

53rd Army Corps (Hopei) Wan Fu-lin

116th, 119th and 130th Divisions (Report not yet fully understood from Tien on July 24/37 that the 53rd was now organized into two divisions)

57th Army Corps (Honan) Miao Chung-lin

109th 111th, 115th and 120th Divisions

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61st Army Corps (Shansi) Li Fu-ying

68th and 101st Divisions

57th Army Corps (Anhui) Wu Ke-jen

107th, 108th, 110th, 117th Divisions

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DIVISIONS

Division	Army Corps	Class	Route Army	Division Commander	Location Town	Location Province	Strength
1st	1st	A		Li Tieh-chun	Hsuchow	Kiangsu	14,000
2nd	17th	A		Chang Tung-kuo	Tungkuo	Shensi	12,000
					Shanghai	Kiangsu	
2nd	26th			Peng Cheng-fu	Nanchuan	Szechuan	3,600
(New)							
2nd				Chin Hsien-chang	Kiehsiu	Shansi	2,800
(Temporary)							
3rd	2nd	A		Li Fu-tang	Tsuping	Fukien	10,000
4th	15th	A		Wang Wan-ling	Tsining	Suiyuan	8,000
5th	36th	CC		Hsueh Pu-fu	Chengtu	Szechwan	8,000
6th		A		Chow Yen	Samshui	Kwangtung	9,000
7th	3rd	CC		Tseng Wan-chung	Chengchow	Honan	10,000
8th	37th	CC		Chen Shih-yao	Tungwei	Kansu	10,000
8th				Chiang Pei-hsu	Yangsin	Hupeh	5,000
(Temporary)							
9th	2nd	A	22nd	Li Yen-nien	Chinkiang	Kiangsu	9,000
10th	14th	A		Li Mo-an	East of Paoting	Hopei	8,000
10th				Cheng Teng-chun	Fusan	Fukien	8,000
(Temporary)							
11th	18th	BC		Chou Tse-shou	Canton	Kwangtung	10,000
12th	3rd	BC		Tang Huai-yuan	Kaifeng	Honan	10,000
13th	25th	BC		Hsia Chu-chung	Loyang	Honan	10,000
14th	18th	BC		Ho Kwei-chang	Canton	Kwangtung	8,000
15th	28th	BC		Wang Tung-yuan	Changteh	Hunan	7,000
16th	28th	BC		Hsu Sung-lin	Hengchow	Hunan	7,000
17th	38th	BC	17th	Chao Shou-shan	Sanyuan	Shensi	8,000
18th		A		Chu Yueh-hua	Pingliang	Kansu	8,000
19th	28th	BC		Li Chuah	Tsingtien	Chekiang	8,000
20th		BP	3rd	Sung Tung-hsuan	Yenchow	Shantung	12,000
21st		BC		Li Hsien-chou	Fengchow	Shansi	9,000
22nd		BP	3rd	Fu Liang-min	Chowtsun	Shantung	9,000
23rd	5th	BC		Li Pi-fan	Wainan	Shensi	8,000
23rd	47th	BC	6th	Lo Tzu-chao	Lifan	Szechwan	5,000
(Temporary)							
24th	37th	A		Li Ying	Lungsi	Kansu	8,000
25th		A		Kuan Lin-cheng	Sienyang	Shensi	10,000
26th	45rd	BC		Liu Yu-ching	Shenchow	Hunan	8,000
27th	42nd	A	26th	Kao Shu-hsun	Paoting	Hopei	8,000
28th		A		Tung Chao	Sanyuan	Shensi	7,000
29th		BP	3rd	Tsao Fu-lin	Tehchow	Shantung	10,000
30th		BC	26th	Li Shung-kuei	Paoting	Hopei	8,000
31st	42	BC	26th	Shih Fang-chang	Paoting	Hopei	8,000
32nd		BC	25th	Wang Hsiu-shen	Luchow	Anhwei	10,000
33rd		CC	25th	Feng Hsing-hsien	Hsaiyuan	Anhwei	8,000
34th		BC		Ku Chia-chi	Chuchow	Chekiang	8,000
(Temporary)							
34th		BC		Chang Kan-wei	Shansi	Hupeh	7,000
35th		BP	15th	Ma Hung-pin	Ningsia	Ningsia	10,000

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36th		A		Sung Hsi-lien	Sian	Shensi	8,000
37th	29th	BP		Fung Chih-an	Peiping	Hopei	12,000
38th	29th	BP		Chang Tso-chung	Tientsin	Hopei	9,000
39th	40th	A		Li Yun-yung	East of Paoting	Hopei	12,000
40th		CC		Liu Pei-hsu	Hankow	Hupeh	7,000
41st	10th	A	16th	Hwang Hsin	Wanhsien	Szechwan	8,000
42nd		BC	27th	Liu Yen-piao	Tali	Shensi	8,000
43rd	5th	CC		Tai Yueh	Wukung	Shensi	8,000
44th	26th	CC		Hsiao Chih-chu	Siangyang	Hupeh	10,000
45th		A		Tai Min-chuan	Foochow	Fukien	7,000
46th	4th	A		Liu Tao-hsia		Kweichow	8,000
47th		A		Pei Chang-huei	Siangyang	Hupeh	8,000
48th	10th	BC	16th	Hsu Chi-wu	Chungking	Szechwan	10,000
49th	25th	CC		Li Chi-lan	Tienshui	Kansu	8,000
50th		BC		Chang Kuang-yueh	Wantsai	Kiangsi	8,000
51st	25th	A		Wang Yueh-wu	Lanchow	Kansu	8,000
52nd		A		Lu Hsing-jung	Yungan	Fukien	8,000
53rd	16th	BC		Li Pao-ping	Kanchung	Shensi	8,000
54th	9th	BC		Liu Chia-chi	Tsungyi	Kweichow	9,000
55th		BC		Li Sung-shan	Chuchow	Anhwei	8,000
56th	39th	BC		Liu Shang-chih	Kashing	Chekiang	8,000
57th		BC		Juan Chao-chang	Shanghai	Kiangsu	7,000
58th		A		Yu Chi-shih	Hankow	Hupeh	10,000
59th		CC		Han Han-ying	Yochow	Hunan	10,000
60th		CC		Chen Pei	Laiyang	Hunan	8,000
61st		CC		Yang Pu-fei	Pucheng	Shensi	7,000
62nd	28th	BC		Tao Liu	Changsha	Hunan	7,000
63rd		BC		Chung Kuang-jan	Kiangshan	Chekiang	9,000
64th	15th	BC	11th	Wu Ting-lin	Anking	Anhwei	8,000
65th	15th	BC	11th	Liu Mao-en	Tungcheng	Anhwei	8,000
66th	33rd	BP		Fang Peng-chu	Pingyao	Shansi	8,000
67th		BC		Hwang Wei	Kanchow	Kiangsi	8,000
68th	61st	BP		Li Fu-ying	Yangkao	Shansi	9,000
69th	33rd	BP		Yang Chen-yuan	Fenchow	Shansi	8,000
70th	19th	BP		Wang Ching-kuo	Paotou	Suiyuan	8,000
71st	34th	BP		Kuo Tsung-chun	Pingyang	Shansi	8,000
72nd	19th	BP		Chen Chang-chieh	Fengchen	Shansi	8,000
73rd	35th	BP		Fu Tso-yi	Wuchwan	Suiyuan	8,000
74th		AS	3rd	Li Han-chang	Weihsien	Shantung	8,000
75th		BC	20th	Sung Tien-tsai	Kwangtseh	Kiangsi	8,000
76th		A	20th	Li Mo-lin	Linchwang	Kiangsi	8,000
77th		A		Lo Lin	Ichang	Hupeh	8,000
78th	1st	CC		Ting Teh-lung	Hsuchow	Kiangsu	8,000
79th	46th	A		Chen An-pao	Fuping	Shensi	8,000
80th		BC		Chen Chi	Chuanchow	Fukien	8,000
81st		AS	3rd	Chen Shu-tang	Tsinan	Shantung	8,000
82nd		CC		Jung Ching-fang	Shiuchow	Kwangtung	8,000
83rd	14th	A		Liu Kan	South of Paoting	Hopei	8,000
84th		A		Kao Kwei-tze	Suiteh	Shensi	8,000
85th		BC		Chen Tieh	Pengpu	Anhwei	7,000
86th		BC		Kao Shuang-cheng	Yulin	Shensi	9,000
87th		A		Wang Ching-chiu	Changshu	Kiangsu	8,000
88th		A		Sun Yuan-liang	Hsuchow	Kiangsu	9,000
89th	13th	A		Wang Chung-lien	Taolin	Suiyuan	8,000
90th	4th	CC		Ou Chen	Kweiyang	Kweichow	8,000

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91st		BP		Feng Chan-hai	Tsangchow	Hopei	10,000
92nd	27th	CC		Liang Hua-sheng	Pingsiang	Kiangsi	8,000
93rd		CC		Chen Lieh	Ying-tak	Kwangtung	8,000
94th		BC		Chu Huai-pin	Yunchang	Shansi	8,000
95th	45th	BC		Lo Chi	Shanghsien	Shensi	8,000
96th		CC		Chao Hsi-kuang	Chenchow	Hunan	8,000
97th				Kung Ling-hsun	Lanchow	Kansu	8,000
98th		A		Hsia Chu-chung	Fachow	Kwangtung	8,000
99th		A		Kuo Sze-yen	Kweiting	Kweichow	8,000
100th (Temporary)	2nd	BP		Ma Fu-fang	Sining	Tsinghai	8,000
101st	61st	BP		Li Chun-kung	Tatung	Shansi	8,000
102nd		CC		Ho Chih-chung	Sungfow	Hupeh	5,000
103rd		CC		Fo Hui-chang	Machang	Hupeh	6,000
104th	27th	CC	6th	Li Chia-yu	Anhsien	Szechwan	5,000
105th	49th	BP		Liu To-chuan	Nanyang	Honan	12,000
106th		CP		Shen Ke	Junan	Honan	10,000
107th	67th	CP		Chin Kuei-pi	Pochow	Anhwei	4,000
108th	67th	CP		Chang Wen-ching	Fuyang	Anhwei	6,000
109th	57th	CP		Ho Kuei	Hwaiyang	Honan	6,000
110th	67th	CP		Chang Li-heng	Kuoyang	Anhwei	5,000
111th	57th	CP		Chang En-to	Sihwa	Honan	5,000
112th	49th	CP		Kuo Shou-yi	Chenping	Honan	6,000
113th	53rd	CP		Li Chen-tang	Sutsien	Kiangsu	6,000
114th	51st	CP		Mo Chung-hang	Hwaian	Kiangsu	6,000
115th	57th	CP		Liu Chi-wan	Chowkiakow	Honan	5,000
116th	53rd	CC		Liu Yuan-hsun	Changhsin-tien	Hopei	6,000
117th	67th	CP		Wu Ke-jen	Taiho	Anhwei	5,000
118th	51st	CP		Chow Kuang-lieh	Shuyang	Kiangsu	7,000
119th	53rd	CP		Tsung Chao-lin	Shihkia chuang	Hopei	5,000
120th	57th			Chao Yi	Luyi	Honan	6,000
121st		CC		Wu Chien-ping	Kichow	Hupeh	6,000
122nd	41st	BP	6th	Wang Ming-chang	Kwanhsien	Szechwan	5,000
123rd	41st	BP	6th	Tseng Hsien-tang	Sinfan	Szechwan	5,000
124th	41st	BP	6th	Sun Chen	Mienchu	Szechwan	5,000
125th	45th	BP	6th	Chen Ting-hsun	Tahyang	Szechwan	4,000
126th	45th	BP	6th	Huang Ying	Chengtu	Szechwan	4,000
127th	45th	BP	6th	Ma Yu-chi	Tzetung	Szechwan	4,000
128th	45th	BP	6th	Yang Shui-chun	Kwangyuan	Szechwan	5,000
129th	49th	CP		Chu Fu-cheng	Fengchow	Honan	5,000
130th	53rd	CP		Chu Hung-hsun	Liuliho	Hopei	5,000
131st	45th	BP	6th	Chen Li	Chachwa	Szechuan	5,000
132nd	29th	BP		Chao Teng-yu	Peiping	Hopei	8,000
133rd	20th	A		Yang Han-yu	Tsiensi	Kueichow	7,000
134th	20th	A		Hsia Chung	Anhsun	Kueichow	7,000
135th	20th	A		Yang Han-chung	Kweiting	Kueichow	7,000
136th	24th			Chen Kwang-tsao	Kangting	Sikang	5,000
137th	24th			Liu Yuan-tang	Luting	Sikang	5,000
138th	24th	CC		Tang Ying	Yakiang	Sikang	4,000
139th	32nd	CP		Huang Kuan-hua	Handan	Hopei	7,000
140th	25th	CC		Wang Wen-yen	Fengsiang	Shensi	6,000
141st	32nd	CP		Sung Kan-tan	Shihkia-chuang	Hopei	7,000
142nd	32nd	CP		Lu Chi	Shihkia-chuang	Hopei	7,000

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143rd	29th	BP		Liu Ju-ming	Kalgan	Chahar	8,000
144th		BP		Kuo Hsun	Chengtu	Szechwan	6,000
145th	21st	BP	6th	Jao Kuo-hua	Kiating	Szechwan	6,000
146th	21	BP	6th	Pan Shao-tsang	Suining	Szechwan	6,000
147th	23rd	BP	6th	Yang Kuo-chen	Tzechung	Szechwan	4,000
148th	23rd	BP	6th	Chen Wan-jen	Tungchwang	Szechwan	4,000
149th	44th	BP	6th	Kuo Chang Ming	Neikang	Szechwan	5,000
150th	44th	BP	6th	Liao Chen	Tzeling-tsing	Szechwan	4,000
151st		BP	4th	Mo Hsi-teh	Shiuhing	Kwangtung	6,000
152nd		BP	4th	Cheng Chang	Kiungshan	Kwangtung	6,000
153rd		BP	4th	Chang Jui-kuei	Chungfa	Kwangtung	6,000
154th		BP	4th	Wu Chien-hsiung	Yeungkong	Kwangtung	6,000
155th		BP	4th	Li Han-yun	Chaoan	Kwangtung	6,000
156th		BP	4th	Teng Lung-kuang	Lungyen	Fukien	6,000
157th		BP	4th	Huang Tao	Changchow	Fukien	6,000
158th		BP	4th	Teng Yu-jen	Taiulang	Kwangtung	6,000
159th		BP	4th	Tan Sui	Muiluk	Kwangtung	6,000
160th		BP	4th	Yeh Chao	Tsengcheng	Kwangtung	6,000
161st		CC		Hsu Shao-tsung	Tungliang	Szechwan	7,000
162nd							
163rd							
164th							
165th (Temporary)	1st	CC		Lu Ta-cheng	Minhsien	Kansu	7,000
166th		CC		Kao Tze-chu	Loyang	Honan	7,000
167th		CC		Yang Chu-tung	Yencheng	Honan	7,000
168th							
169th		CC	27th	Wu Shih-min	Tali	Shensi	7,000
170th		CP	5th	Shu Shou-mien	Kweilin	Kwangsi	8,000
171st	7th	CP	5th	Hsu Chi-ming	Liuchow	Kwangsi	8,000
172nd	7th	CP	5th	Ho Wei-chen	Nanning	Kwangsi	8,000
173rd	7th	CP	5th	Mo Shu-chieh	Kweilin	Kwangsi	8,000
174th	48th	CP	5th	Chen Shu-fen	Chwanchow	Kwangsi	8,000
175th	48th	CP	5th	Wang Tsen-pin	Wuchow	Kwangsi	8,000
176th	48th	CP	5th	Yang Chun-chang	Watien	Kwangsi	8,000
177th	38th			Li Hsing-chung	Tsinyang	Shensi	7,000
Salt Division				Huang Chieh	Haichow	Kiangsu	10,000

Joseph W. Stilwell

Joseph W. Stilwell,
Colonel, Infantry,
Military Attache.

No. 9582.

4-1 1928 2009-199 5
DEC 11

G-2 Report 3790

CHINA (Political)

Subject: Ho Ying-ching, Yang Shu-chwang.

RECEIVED G-2 W. D. DEC 10 1928

Name: HO YING-CHING.

Title: General.

Birthplace: Chekiang Province.

Date of Birth: 1886.

Political Party: Kuomintang (Right Wing).

Historical Sketch: Dean of Whampoa Military Academy, 1925. 1926, appointed commander of 1st Army of anti-Northern Expeditionary Forces and during the campaign took Fukien and Chekiang. 1927, appointed a member of the Standing Committee of the Military Council. During campaign of 1927 advanced into Shantung as far as Jihchao, and when Chiang Kai-shek resigned and went to Japan, assumed command of most of Chiang's best troops in occupation of the Nanking-Shanghai Railways. During anti-Northern campaign of 1928 remained at Nanking in command of Peace Preservation Forces of Kiangsu. Appointed chairman of Chekiang political council, April, 1928. October, 1928, appointed a member of the Government Council and Inspector General of Military Training.

Estimate of Character: A very good soldier and Chiang Kai-shek's right hand man.

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Name: YANG SHU-CHWANG.

Title: Admiral.

Birthplace: Fukien Province.

Date of Birth: About 1880.

Political Party: Kuomintang.

Historical Sketch: 1917, in command of a ship in the fleet under Admiral Chen Pi-kwang, and went with him to Canton when Dr. Sun Yat Sen was in control of the Canton Government. 1920, when the fleet revolted against Dr. Sun and went over to the Chihli forces, was placed in command of the 1st Yangtze Squadron under Admiral Tu Hsi-kwei, Commander in Chief of the Yangtze fleet. Succeeded Admiral Tu as Commander in Chief when latter went to Peking as Premier, 1926. During the Kuomintang-Northern war in the Yangtze valley maintained a neutral attitude until Southern troops took Shanghai, when he went over to the Nationalists. Appointed chairman of Fukien political Council as a reward, but due to the opposition of Fang

CHINA (Political)

Subject: Yang Shu-chwang.

Sheng-tao never assumed office. September 1928, appointed a member of the Government Council of the National Government.

Helmer W. Lystad.
Helmer W. Lystad,
1st Lieut. Infantry.

1st Ind.

Office of the Military Attache, American Legation, Peking, China, November 7, 1928. To: A.C. of S., G-2, Washington, D.C.

Forwarded.

John Magruder,
John Magruder,
Major, General Staff,
Military Attache.

G-2 Report

3790
WAR DEPT. GENERAL STAFF
MIL. INTEL. DIV.
1928
2009-199
WAR DEPARTMENT
NOV 14

CHINA (Political)

Subject: Chinese Personalities.

RECEIVED G-2 W. D. NOV 13 1928

Name: YU YU-JEN (Intimate name, Po-hsun)

Title: General.

Birthplace: Shensi Province.

Date of Birth: 1871.

Language & Dialect:

Political Party: Kuomintang.

Historical Sketch: Chu Jen degree (M.A.) Chinese literature. Graduate of a Japanese College in Tokyo. 1908, editor of the National Herald, a Kuomintang paper. 1912, Vice-Minister of Communications in Nanking Provisional Government. 1917, organized the People's Army in Shensi. Retired shortly after and succeeded by Gen. Hu Ching-yi. 1924, appointed Minister of Agriculture and Commerce in Tuan Ch'i-jui government. Went to Shanghai when Kuominchun driven out of Peking in 1925. Assisted in lifting of siege of Sianfu, 1925, and restoring of order in Shensi province. Secured the cooperation of Gen. Liu Chen-hua with the Kuominchun, 1926. Appointed Feng Yu-hsiang's representative at Nanking, 1926. Made member of Military Council of Nationalist Government, 1927. Recently appointed member of Government Council of newly organized Nationalist Government.

John Magruder
John Magruder
Major, General Staff
Military Attache

From M/A, China Report No. 7348-a October 11, 1928

OFFICE CHIEF OF STAFF
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CHINA (Political)

Subject: Chinese Personalities.

RECEIVED G-2 W. D. NOV 13 1928

Name: Li Ts'ung-jen. (Intimate name Te Lin)

Title: General.

Birthplace: Kwangsi Province.

Date of Birth: About 1883.

Language & Dialect:

Political Party: Kuomintang (Kwangsi faction)

Historical Sketch: Graduate of a Japanese Military School (Infantry). Returned to China in 1909 and appointed a regimental commander under Lu Jung-t'ing. Later made a brigadier general. Participated in fighting in Kwangsi, 1917. Occupation Commander at Wuchow, Kwangsi, 1922, and later Civil and Military Governor of the Province. Led Kwangsi Army into Hunan and in 1927 made Commander of the 7th Army of the Anti-Northern Expedition.

Doubtful attitude as Nationalist Commander at Nanking largely responsible for Chiang Kai-shek's retirement in 1927. Assisted by Pai Chung-hsi, put down T'ang Sheng-chih revolt. Made Chairman of Wu-Han branch political council and concurrently Commander-in-Chief of the 4th Group of Armies, 1927. Responsible for arrest of General Chen Chien, 1928. In command of 4th Group of Armies during Anti-Northern campaign, 1928. Attended conference of "Big Four" military leaders at Peking, July, 1928, and Fifth Plenary Session of Central Executive Committee of Kuomintang at Nanking, August 1928. Recently appointed member of Government Council of newly organized Nationalist Government.

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Major, General Staff
Military Attache

From M/A, China Report No. 7348 October 11, 1928

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MILITARY INTELLIGENCE DIVISION
NOV 14 1928
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WAR DEPARTMENT
RECEIVED G-2 W. D. NOV 13 1928

CHINA (Political)

Subject: Chinese Personalities.

Name: PAI CH'UNG-HSI. (Intimate name, Chien Sheng) A. Mohammedan.

Title: General.

Birthplace: Kweilin, the capital of Kwangsi Province.

Date of Birth: 1893.

Language & Dialect:

Political Party: Kuomintang (Kwangsi faction)

Historical Sketch: After graduation from the Military Academy at Paotingfu, proceeded to Hunan and was made a platoon leader under General Chang Chin-yao, and soon after promoted to the grade of captain. Later became a battalion commander under Li Ts'ung-jen in which capacity he served until 1922 when he was appointed a brigadier-general. When Li Ts'ung-ten was appointed Military Governor of Kwanghsi, was made a division commander. In 1926 made Chief of Staff of the Anti-Northern Expedition. Persuaded Chiang Kai-shek to continue the campaign after his first defeat in Kwangsi and largely responsible for the defeat of Sun Ch'uan-fang which followed. Rendered conspicuous service during entire campaign and became Chiang's right-hand man. In 1926 a difference arose between him and Chiang over the question of continuing the Anti-Northern Expedition or putting down the Wu-Han Communist Government, and Chiang was forced to resign, leaving Pai in control south of the Yangtze. Put down the T'ang Sheng-chi revolt in 1927. During the Anti-Northern campaign of 1928, commander in the field of the 4th Group of Armies. At present in command of the expedition against the Chihli-Shantung remnants, and a member of the Wu-Han branch political council.

As Defense Commissioner of Shanghai in the spring and summer of 1927, he was very drastic in putting down the Communists. Is now considered a decided reactionary.

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Major, General Staff
Military Attache

From M/A, China Report No. 7344 October 11, 1928

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WAR DEPARTMENT

NOV 14

CHINA (Political)

Subject: Chinese Personalities.

RECEIVED G-2 W. D. NOV 13 1928

Name: CHIANG KAI-SHEK. (Intimate name, Kai Shih)

Title: General.

Birthplace: Fenghwa, Ningpo.

Date of Birth: 1887.

Language & Dialect: Southern dialect.

Political Party: Kuomintang.

Historical Sketch: Attended the Paotingfu Military Academy (Infantry) 1906-1907, when Marshal Tuan Ch'i-jui was principal. Went to Japan in 1907 and attended the Tokyo Military College. Joined the Revolutionary Party and returned to China when the revolution broke out in 1911. Was appointed a regimental commander under Ch'en Ch'i-mei, who shortly afterward took Shanghai. Served under General Ch'en until latter was dismissed by Yuan Shih-kai. Little heard of again until 1923, when he was appointed Chief of Staff to Dr. Sun Yat-sen. With Dr. Sun when latter drove General Chen Chiung-ming out of Canton. In November, 1923, was sent to Russia by Sun Yat-sen to study Soviet military system. Returned to Canton in 1924 and organized the Whampoa Military Academy, in which about 30 Russian officers were engaged as teachers. While principal of Whampoa organized two brigades of Whampoa cadets, trained in the Russian system, with whom he later conquered Kuangtung and Kuangsi provinces. Elected a member of the Kuomintang Central Executive Committee in January, 1926. Two months later joined the left wing to put down the Communists, and in May, 1926, instrumental in reconciling Kuomintang and the Communists.

Appointed Commander-in-Chief of Northern Expedition in July, 1926, and after defeating Wu Pei-fu and Sun Ch'uan-fang, took Hunan, Hupei, Kiangsi, Fukien, Chekiang, Kiangsu and a part of Anhwei. In April and May, 1927, suppressed the Communists in Shanghai and other places and established a Nationalist Government at Nanking in opposition to the one at Hankow. Upon retreat of Nationalist forces from Kiangsu-Shantung borders in August, 1927, and general dissatisfaction with his policies among military leaders, resigned all posts and retired to private life.

Returned to Shanghai in November, 1927 and regained part of former influence in the Kuomintang, aided considerably by his marriage to Miss Sung Mei-ling, sister of Madame Sun Yat-sen.

When anti-Northern Expedition re-formed in 1928, at insistance of Feng Yu-hsiang and Yen Hsi-shan, appointed Commander-in-Chief by the Kuomintang Central Executive Committee. Drove Chang Tsung-chang out of Shantung in April, 1928 and in spite of difficulty presented by Tsinan affair, pushed on to Tientsin while Yen Hsi-shan entered Peking. Called conference of military leaders at Peking in July, 1928, to discuss plans for disbandment of troops and was largely responsible for the holding of the 5th Plenary Session at Nanking in August. At present a member of the Central Executive Committee and Chairman of the Government Council of the newly organized Nationalist Government.

John Magruder
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Major, General Staff
Military Attache

From M/A, China Report No.7340 October 9, 1928

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WAR DEPARTMENT

CHINA (Military)

Subject: Militarist Tendencies in China.

RECEIVED G-2 W. D. NOV 27 1928

1. One is forced to recognize that among many other things of the older order which have been disturbed by the Nationalist movement the traditional pacifism of the Chinese people is being questioned. Organized efforts by the government and high officials are becoming apparent in which the students in particular are being urged to appreciate the necessity of military preparedness in order that China may demand the place she desires among the nations. Great energy, much of which was inspired by Russia, was required to make the Nationalist movement militarily strong enough to succeed. To abolish their internal enemies, pre-eminent among which were northern militarists, the Nationalists had to become martial. It is but a natural step, having seen the benefits of military attributes in ousting internal enemies, to approach the question of external impressments with the argument of military fitness. Leaders in China today are generally convinced of the value, if not the necessity, of military strength as a means of realizing national aspirations. Chinese leaders are in a fair way to become not only martial but militaristic. As the notable trend in the West is toward cushioning and silencing the sheathed sword, young China undoubtedly is being charmed with the rattling of sabres.

2. One most remarkable feature of the militarist trend is the frank admission of the leaders that China's present military thought and material armament are wholly inadequate for facing international commitments. All that remains of the traditional Chinese self-sufficiency in this respect is a light-hearted optimism regarding the ease of attaining military preparedness. The object of hatred chosen as the foundation upon which to build war spirit unanimously is Japan. The question as to whether or not Chinese leaders can stir up to a dangerous pitch of militarism a nation which so tends to subside from all innovations is a very special study in itself. The present report is conceived to draw attention only to the fact that the same men who materially shifted internal forces in China are, without a doubt, developing a program to alter international forces by the employment of well-known western means, namely, military power.

3. A special report is being prepared to show to what extent military thought is being inculcated in the youth of China, and military training introduced into the schools. Following are excerpts from various articles which in a limited way indicate the militarist trend. Feng Yu-hsiang has not been quoted, but in most of his public utterances and in his private conversations he is known to express forcefully his belief that China must prepare to fight a war with Japan before China can hope to take an honorable place among the nations. Japanese military officials are aware of Feng's menacing dreams.

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(From an article by C. Y. W. Meng in China Weekly Review, May 19, 1928, entitled "Japan's Intervention a Blessing in Disguise.)

xxx xxx xxx

Another lesson that Chinese have learned as a result of the Japanese intervention is that the Chinese have now realized that war with foreign countries will not only help in bringing about an early unification of China but also is the only means to place China in a better position in the family of nations. In thinking so, we are supported by many historical incidents.

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CHINA (Military)

Subject: Militarist Tendencies in China.

America did not unify herself until her war with Spain; Germany did not become a strong Empire until her victories over Denmark in 1864, Austria in 1866, and France in 1870; Japan did not spring up as a world power until her victories over China in 1895 and Russia in 1905.

It is our conviction that only after another war with Japan and only after another treaty of Shimonoseki that all outstanding problems between Japan and the Nationalists will be solved, the relationship between the Chinese and Japanese be readjusted, and peace in the Far East maintained.

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(China Weekly Review, June 16, 1928. From an article on the "New Educational Program" which was adopted at the Education Conference in Nanking from May 15th to May 29th.)

xxx xxx xxx

The Ministry of Education (National University Council) at Nanking has not made public English translations of addresses delivered or complete reports of resolutions passed at the Educational Conference, but sufficient has appeared in the press to give some idea of the general results. Perhaps the most significant action was a resolution unanimously adopted providing for military training in all of the Chinese schools above the grade of Middle School and for the inauguration of Boy Scout and Girl Scout activities in all primary and Middle Schools. This resolution also applies to missionary schools which recently have been nationalised from the standpoint of registration with the Government and the election of Chinese presidents. It probably was inevitable that the Chinese should take this action regarding military training but the fact that the Conference met in Nanking only a few days following the clash between Nationalists troops and the Japanese in Tsinan had much to do with speeding up the movement. A number of radical, warlike speeches were delivered emphasizing the necessity of military training, which were an undoubted direct result of the Tsinan incident. It was reported that the Conference was in receipt of telegrams from practically all Nationalist military leaders urging immediate military training. In Shanghai a delegation of students from local Universities applied to the local Defense Commissioner Gen. Chuen Ta-chun and asked to be supplied with rifles for use in military training in the schools but when the Defense Commissioner is reported to have suggested to them that they enlist in his army their enthusiasm cooled somewhat and they decided to postpone their warlike activities for the present. It was recommended at the Educational Conference that the Government assign military officers to all schools for the purpose of taking charge of the military courses, the salaries of the officers to be paid by the schools. It was also recommended that the National Military Council send inspectors to the various schools to check up on the results of the military training.

xxx xxx xxx

("Teaching China to Become a Military Nation!", a leader in China Weekly Review, June 30, 1928.)

Japanese intervention in Shantung and Manchuria, plus the Tsinan incident and the Japanese ultimatum to Marshal Chang Tso-ling, have done more to stimulate China in the direction of a military career than anything that has happened in China since the first revolution in 1911. The

CHINA (Military)

Subject: Militarist Tendencies in China.

National Educational Conference which met in Nanking a few days following the Tsinan incident, voted unanimously to institute compulsory military training in all of the Government schools above the grade of middle-school and to encourage Boy Scout activities in the schools below the grade of middle-school. Chinese students at Shanghai have not waited for the Government to inaugurate military training, but have gone ahead on their own accord and started drilling. It is said that some 15,000 students in the Shanghai district alone have purchased uniforms for this purpose. Anyone who observed the cadet review at Shanghai on June 10 when more than 5,000 students, boys and girls, participated, at once realized what is going on. Then we have had reports of recent addresses on the necessity of military training by such men as Chiang Kai-shek, Feng Yu-hsiang, Li Tsung-jen and Li Chi-sum. Even civilian political leaders who heretofore have been opposed to militarism in China are now talking about a large unified standing army, and there are rumors in circulation of the employment of foreign military instructors in large numbers. Also there is talk of the development of coastal fortifications and wholesale purchase of modern military equipment. Gen. Chiang Kai-shek, commander of the Nationalist Armies, in a recent address before the alumni of the Whampoa Military Academy at Nanking, declared that it was necessary for China to immediately take steps to "reduce the enormous army of some 1,500,000 men to a standing army of 500,000. We need only a standing army of 500,000 men for our national defense." One of the civilian officials of the Nationalist Government also mentioned the figure 500,000 as indicating the size of the standing army which China expected to develop within the brief period of three years. The number 500,000 seems to stick in everybody's mind, possibly because that is the approximate size of the present Japanese standing army. A Chinese writer in a recent discussion of China's present diplomatic problems, urged the necessity of a standing army and the selection of a "national enemy" as the best means of unifying and developing China into a modern nation. In brief, it seems that the success of the military phase of the Nationalist revolution has been followed not by thoughts of peace, but by thoughts of war - obviously an unfortunate situation for a nation which needs all of its resources for the works of peace. Also in an international sense it is distinctly unfortunate that a new nation just being born into the family of nations should be looking toward militarism, when most of the other nations of the world are groping about trying to find a way to prevent war and to disarm. The reason for this situation in China is not necessary to explain: it is a natural outgrowth of the failure of the Chinese people to obtain by peaceful means what they consider to be their rightful position in the world.

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(From a newspaper report of a speech of Chiang Kai-shek on July 18, 1928, at the National University, Peking.)

xxx xxx xxx

General Chiang repeated the points he gave Tuesday that young China must learn to keep time and maintain order. He urged the students to take up military training, because the army keeps the straightest discipline on time and order. He said that they should not work for personal ends, nor be tools to any ambitious leaders. Chinese have only one leader over them, and that is the Kuomintang. Next to military training General Chiang pointed out that the younger generation should become true

followers of Dr. Sun Yat-sen and to apply his Kuomintang principles to save the nation.

The commander-in-chief said that in another fifteen years China will be able to train an army and a navy that will be equal to any foreign military forces in the world. He expected that China will not need to resort to arms to be brought back to an equal footing with other nations.

xxx xxx xxx

(From an article in China Weekly Review of August 25, 1918, entitled "China Would Attain 'Equality and Justice' Through Development of a Modern Navy!", written upon the occasion of the launching of a new gunboat on August 16.)

xxx xxx xxx

Admiral Yang Shu-chwang, commander of the Nationalist Navy in the introductory address explained that this was the first gunboat to be constructed in China for China's own use in seventeen years and that it was appropriate that the ship should be launched shortly following the coming into power of the Nationalist revolution. Continuing he said, "The Sien-ning is a small boat but China can and will construct larger ships and ultimately can develop a modern navy. We must work step by step and develop our naval power in order to acquire liberty and equality in the family of nations."

General Chiang Kai-shek, commander-in-chief of the Nationalist army, who was also present at the launching, likewise urged the immediate construction of new naval tonnage and the modernization of the present naval equipment. "China must build 60,000 tons of new war-craft within the next ten years," declared Gen. Chiang and expressed the hope that the officers and sailors would "hereafter struggle without hindrance for a large and modern navy. We must restore our naval prestige and there is no reason why China should not in time become a first rank naval power. This can be done if the nation can be aroused to our naval needs. It's our only hope for actual equality and justice.

General Chang Ting-fan, Mayor of the Municipality of Greater Shanghai also delivered a significant address on the question of China's navy, saying "The European War was caused by the struggle for naval supremacy and recently there has been much talk about the curtailment of fleet construction. But despite the newspaper talk, all of the leading nations are keeping up their armament. We read of constant increases in naval tonnage, which shows that sea competition is still going on. If China had a navy of reasonable strength and efficiency, foreign nations would not today be holding two of our chief seaports, Weihaiwei and Port Arthur. During the Ching Dynasty our naval funds were squandered by the Express Dowager who used the money to gratify her vanity by constructing the Summer Palace at Peiping. As a result of this short-sightedness China was defeated in the war with Japan and this enabled Japan to develop into a first rank power, possessing the third largest fleet in the world. Several years ago China sent a cruiser to attend the Japanese naval maneuvers and the Japanese admiral was greatly surprised. When he saw the Chinese ship he exclaimed, 'Why China has sent a ship!' Now that the Nationalists have conquered the whole country, we should make definite plans for the construction of a navy and should lay down at least 60,000

tons of new war-vessels within the coming ten years and thereby restore our naval prestige. This should be the determined hope of the Nationalist Government for it is the only way in which we can attain international respect."

These remarks on the necessity of naval development in China are of special significance in view of the action of the Fifth Plenary Session of the Kuomintang in voting to develop plans for national defense and while most of the attention was devoted to the reorganization of the army the official report of the Conference stated, "as part of the scheme of national defense the Chinese Navy must be developed and there must also be developed an air force as well as coastal fortifications and naval stations." In reference to plans for the reorganization of the army the Conference urged the beginning of a plan of conscription; the centralization of all military academies under the jurisdiction of the Nationalist Government; and the setting aside of at least half the national expenditures for military purposes.

xxx xxx xxx

(From an article in China Weekly Review of September 15, 1928, entitled "Can China Become a Great Military Power?", by Harvey R. Harris.)

The Nationalists of China have demonstrated their belief that the only way to secure national unity and betterment lies through force of arms; they have not yet demonstrated the belief that the only way to secure full recognition by the nations of the world and a treatment of equality by those nations also lies in China's ability to display military strength. It may be, indeed, that all of the Nationalist leaders are not turning over in their minds the immense psychological benefits (later to be translated into all other kinds of benefits) to be gained by an exhibition of superior military strength over some rival world power; but that some of the Nationalists are fondling such dangerous thoughts cannot safely be ignored or denied. It is well to recognize the existence in China of this type of militaristic thought, which may prove a tremendous power to reckon with before so very many more years roll away.

xxx xxx xxx

I have implied that there are those among China's thinking people today who hold the honest conviction that before China can take her place on a footing of equality with the rest of the great family of nations, she must wage successful war against some recognized world power. Representative of these people is a certain lieutenant-general with intelligent, penetrating eyes, whose name I shall withhold, not having permission to use it. This general, when I asked what he believed to be essential to China's future development and ultimate greatness, answered directly and with the emotion of deep conviction: "I am a militarist. I believe that China must successfully wage war before she will be properly recognized by the nations of the world. Might alone gets recognition; for the people of the world feel no influence save the influence of force." Not only is this argument a strong one, it is one which the Chinese people will appreciate to the very fullest extent; for China has felt military force, and, furthermore, she has seen the world sit up and take notice of Japan after that country exhibited victory over Russia. This phenomenon I recalled to the lieutenant-general. He rejoined, "It will be easy to get up an army against

a foreign power." Here again I sympathized, remembering China's unfortunate experience with the first foreigners of her acquaintance; but I also suggested that the world is gradually taking over the ideas of arbitration and compromise; that one might see evidences of this in the work of the League of Nations, in the Locarno Pacts, in Briand's and in Kellogg's Peace Proposals, etc. But the militarist before me looked skeptical.

xxx xxx xxx

4. The following are excerpts from resolutions passed (August 14th) at the fifth general session of the Fifth Plenary Conference of the Central Executive Committee:

xxx xxx xxx

"That the following principles should be adhered to in deciding upon the proposals concerning military affairs:

"That all military administration and orders should be unified and the conscription system should be adopted in due course."

xxx xxx xxx

"That military education should be unified and all military academies in the country should be placed under the direct control of the Central Government, and the establishment of military schools or institutions of a similar nature by individual commanders should be strictly prohibited."

xxx xxx xxx

"That steps should be taken at once to strengthen the national defense of China and that the Navy, Air Force and Coastal Fortification should be thoroughly examined and strengthened."

xxx xxx xxx

5. At the conclusion of the Fifth Plenary Session, in enumerating the important undertakings of the Kuomintang, the Central Executive Committee and Supervisory Committee, the following statements appear:

xxx xxx xxx

"In order to gain the sympathy of the world and to satisfy the desire of the Chinese people, it is necessary to develop our military attainments (establishments?) into a new reconstruction movement."

xxx xxx xxx

"Military rehabilitation, upon the completion of the northern expedition, is not only the manifestation of the real force by which the unification of the country may be achieved, but is also the sole key-note to success or failure in bringing about the freedom and equality of the nation and prosperity and welfare of the people.

G-2 Report

CHINA (Military)

Subject: Militarist Tendencies in China.

This conference has considered the military readjustment plan as one of the most important problems."

xxx xxx xxx

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Major, General Staff
Military Attache

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MIL. INTEL. DIV.
1929 2009-201 JAN 23
WAR DEPARTMENT

CHINA'S VICIOUS CIRCLE

RECEIVED G-2 W. D. JAN 21 1929

The agitation and publicity in China today over disbandment of troops has resulted in obscuring some of the real factors which influence the establishment of a unified, stable government under civil control. Superficial observation might lead one to believe that once disbandment of superfluous troops were accomplished then all of the obstacles to stability and good government would disappear. This point of view is untenable if one analyzes the underlying causes of China's distress.

When one observes the great number of unpaid, undisciplined and thoroughly useless troops which burden the country he sees not the disease but the symptoms. That a swollen military establishment is an effect and not a cause is as true of soldiers as it is of bandits. Intelligent people have long given up the idea that bandits in China can be eliminated by forceful means. Bandits are the symptoms of wretched economic conditions, symptoms which will persist until the disease, insupportable economic conditions, is attacked with sound remedies. If there were work enough and food enough to go around the problems of China would not be disbandment but recruitment in order to fill the ranks of the small forces which would be required for the very limited internal policing of the country. The Chinese do not become soldiers by choice but in order more surely to eat.

The insufficient food and necessities in many large areas results from generally disturbed economic conditions. There can be no general economic improvement without a wise governmental direction; there can be no capable government so long as the real power resides in military dictators in control of territorial regions which include, in fact, all the area of China. Military dictators who absorb all the regional revenues cannot be eliminated by the mere wishing - a government

From M/A, China Report No. 7391 December 13, 1928

whose authority is based on an obedient military force is essential to the destruction of self-constituted feudalistic militarists. Such a government must be strong and stable - it must have money. But the militarists absorb all the wealth. There can be no strong government. The vicious circle is complete.

If my premise that economic reconstruction is not possible without intelligent direction plus authority - government - and if the logic of the progression of my vicious circle is sound, there will be no real authority in China in the near future. The present futility and chaos, the present menace to peace in the Far East will persist. Without outside assistance of a very substantial nature, this I believe is to be expected. China's vicious circle is tightly closed due to a combination of factors which are mutually interdependent. The moral factor, due to the nature of the people themselves, I believe to exert the greatest weight. The economic factor is not only more indisputable and tangible but can be more universally grasped. I believe that faulty economic conceptions result from the nature of the Chinese. In the Occident anyone can perceive the moral or economic error of a man who, finding his expenditures exceeding his income resorts to money lenders, who borrows from Peter to pay Paul. When he persists in the practice and defends it as a principle one is at loss to assign relative values to his intellectual or economic and his moral concepts. China nationally pursues the policy of a thriftless man; whether her error lies in her moral or economic misconceptions is the subject of opinion. Those who view China unemotionally would say the mutual play of both; those whose passion is the Chinese assert China is guilty only of economic misconceptions and even tend to lay most of the blame for these on foreign shoulders. In any event, lack of desire or lack of ability to apply sound economic remedies is basically the cause of China's vicious circle.

HAS PUBLIC OPINION BROKEN THE CIRCLE?

That ultimately, historically speaking, China will emerge with some form of government capable of maintaining order and of discharging her international responsibilities, is not to be denied. But that the very superficial, if widespread, constructive public opinion as it exists in China today in itself constitutes a force capable of destroying within a reasonable time the economic obstacles to reconstruction I cannot concede. Public opinion insofar as it exerts influence in China today has been very largely manipulated in the past four years to permit the shifting of power from older and less flexibly-minded militarists to a new and more alert group of militarists. This is in itself an evidence of change and growth I concede, but it should be noted that the Kuomintang Party, in its original form, has accreted little permanent power in the process. This abrupt shifting of power was accomplished in a short space of time under very capable Russian direction. Despite the recent dramatic successes the curve of revolutionary accomplishment began its downward trend from the moment the Chinese leaders learned the trick of circumventing the exotic, foreign influence which employed "the people" to defeat military rivals. Public opinion, even where articulate, lapses very quickly into the old conventional mouth-piece of local military dictators. In Hunan in summer anti-revolutionaries were slaughtered, in autumn communists were slaughtered by the same official butchers. The victims had undergone slight change in the interval but the officials had. Hunan is an extreme case but in a lesser degree the same thing has happened to "public opinion" all over the South. The pressure of public opinion in China has been exaggerated.

Certainly the Nanking Government momentarily (October, 1928) is enjoying a great popular appeal, but has public opinion really contributed any appreciable, tangible power of governing to the civilian politicians and statesmen? It is a debatable question whether or not the hated Anfu Government in 1920 did not exert as prompt obedience to as many varied decrees in as many provinces as does the popular Nanking Government today.

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Realizable power and authority are unconscionably long in catching up with public opinion all over the world - in China too long and perhaps this time too late.

THE MILITARISTS HAVE BEEN DESTROYED.

The Nationalist conquest has been of a unique character. Compromise has gone hand in hand with conquest and has played a larger role than has military victory. At the present time it cannot be said that the Nationalist forces view their enemies prostrate about them. It would be more accurate to say that the revolutionary armies consist of all the units and nearly all the militarists which previously existed in China, excepting only those Manchurian armies which remain intact north of the Wall. The Nationalists have not conquered China, but by the most evident compromises with original principles have absorbed or incorporated bodily their erstwhile enemies, even of the most unscrupulous and reactionary types. Nationalists rather than having conquered China have been rendered innocuous by the steady infiltration of militarists into Nationalist ranks. That selected group of indoctrinated divisions which emerged from Kwangtung in 1926, whipped into shape by Russian experts and really infused with revolutionary zeal, have disappeared. It is questionable if military defeat of these units had not been better for China than success purchased at the price of incorporation of such out and out militarists as Tang Sen-chih, Chen Tiao-yuan, Feng Yu-hsiang and innumerable subordinates of the old Chihli militarists.

Negotiations have long been in progress to include the Manchurian militarists into the Nationalist fold as the allies of a particular Nationalist faction by requiring only the change of flag and the mouthing of the San Min Chu I as the sign of conversion. When Nationalist armies have conquered all of China in this fashion the same familiar obstacles to real peace and unity will exist, altered only by a slight color-wash of

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revolution. Not a single militarist who was prominent in 1926 has been completely eliminated except Chang Tso-lin, who was brutally assassinated. Numerous militarists have been diminished in stature but others have grown larger in the course of the revolution. The number and influence of militarists have been but slightly diminished. Units have shifted their allegiance but the total number of soldiers is as large as before the Nationalist "conquest".

CAN TROOPS BE DISBANDED?

Not even the militarists are so depraved as to defend in principle the existence of China's swollen armies. No one doubts the benefits to the country of disbanding superfluous troops of the big militarists and the many nondescript small organizations which in reality do not belong to the bigger militarists but which are only temporarily employed by the latter and after having served their purpose become a liability. China is full of these shifting units which cannot be classed as the personal troops of the big militarists. In general, all leaders agree that these more or less unattached remnants of former military parties or creations of obscure feudal leaders should be disbanded. It is almost as practical to assert that they should never have existed. They are all symptoms of wretched economic conditions which have grown progressively worse since the break-up of the Empire.

Neither armed bandits nor soldiers can be disbanded. They will not be demobilized and voluntarily starve. These organizations resist disarming. In rare instances when worthless troops are forcibly disarmed the personnel simply becomes bandits, and the community is little better off. Chinese become soldiers because the economic conditions fail to absorb them in work which provides them food. When they are forcibly disbanded they become bandits for the same reason. Even if a paltry few dollars is donated upon disbandment when the dole is exhausted the ex-soldier turns bandit. Thus little or no benefit accrues from disbanding even those orphan troops in which no big military chieftan has a direct interest.

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These same difficulties apply to disbanding the personal troops of the big militarists and in addition there is another almost insuperable obstacle to the voluntary disbandment of personal armies. Military feudal chieftans are patriarchs to their troops. The chieftan was made powerful by his subordinates; he in turn made his subordinates all they are. They are mutually dependent and owe each other mutual loyalty. A Chinese leader can no more voluntarily cast his subordinates into civilian life already surfeited with hungry men than can a father cast a defective son into the world. Remember that Chinese militarists started as junior officers and gradually built up organizations which were not the state's but their own personal following. The armies they command, certainly the important units, are all that gives them power and for which they in turn are responsible. It is highly problematical if such leaders as Feng Yu-hsiang, Yen Hsi-shan, Li Chung-jen and Chang Heush-liang could effect any appreciable disbandment of their personal troops if they genuinely desired to. The pressure of argument brought by their loyal subordinates would be too great. Chinese ethics forbid a leader's disregarding his obligations to his men for any idealistic act for the general weal.

Assuming then a very unselfish attitude on the part of a militarist toward the cause of disbandment, until the state creates an economic condition which will absorb his following, the militarist feels an obligation to his men greater than to the state. Chinese militarists generally are a type whose personal ambitions are greater than their patriotic instincts. In their egoism each feels that he alone is capable of governing wisely. To maintain his position and enhance his power is his principal motive. The revolution has not yet developed any exceptions in this regard. If this be true, all the more reason why individual leaders will not disband. Disarming is suicidal in China - as many believe it is among more advanced western nations. Because of the most profound mistrust among leaders, justified by incontestable experience,

proportionate disbandment is not practicable. Attempts at proportionate disbandment would result in discovery of inevitable additional recruiting. Proportional disbandment, if practicable, would contribute little additional strength to the central government; the real power and the revenues would still remain in the hands of the militarists, so long as the central government has not available the strongest military forces. Today the Nanking Government has no forces which can be considered as a national army.

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If it be true that public opinion as a ferment, however active, has only begun to affect the great mass of China; if it be true that militarism has been slightly altered in character but not destroyed, and if disbandment of troops under present conditions is well-nigh impossible, China's vicious circle remains intact. An emigre government, thinking and speaking in foreign terms, can for a time greatly impress foreign imagination but it has little probability of uprooting native economic weaknesses without material assistance from those powers responsible for the emigre mentality.

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G-2 Report

Y-1

1928 2009-207

CHINA (Military)

WAR DEPARTMENT

Subject: National Military Reorganization and Disbandment Conference.

1. Background of Conference.
2. Agenda and Composition of Conference.
3. The Conference at Work.
4. Committees for Executing Resolutions.

RECEIVED G-2 W. D. MAR 18 1929

1. Background of Conference.

The necessity for the disbandment of China's swollen armies has long been recognized but until the success of the Kuomintang armies no solution of the problem ever approached the realm of probability. One of the outstanding features of the Kuomintang program was the elimination of militarism but, as is well known, the Party had to develop a martial spirit and organize large armies in order to eliminate its adversaries, the militarists. At the time of the fall of Peking there were more than a million and a half armed men in China, with perhaps more unarmed men in uniform.

General H o Ying-chin announced a figure of 1,600,000 men still under arms in December, 1928. The government gave to the official Kuo Min News Agency on January 29, 1929, the following figures of men under arms:

"Complete reports submitted by the various military leaders throughout the country to the National Military Reorganization and Disbandment Committee placed the present military strength of the country at approximately one million and a half men (1,502,000). The distribution of the troops is as follows:

First Group Army:	224,000	men
Second " " :	269,000	"
Third " " :	206,000	"
Fourth " " :	287,000	"
Fengtien Forces :	109,000	"
Kirin " :	53,000	"
Heilungkiang" :	24,000	"
Szechuan " :	200,000	"
Yunnan " :	70,000	"
Kweichow " :	60,000	"

At the meeting in the Western Hills near Peking in July, 1928, of the four big nationalist military commanders, plans for reducing the armies were discussed. At this time no definite agreement was, or could well have been, arrived at except to provide some immediate plans for absorbing or otherwise disposing of the defeated Chihli-Shantung elements.

At the Fifth Plenary Session of the Central Executive Committee in August, 1928, a resolution was passed providing for a reorganization and disbandment conference to be held January 1, 1929. Much publicity was given to the coming conference and the officials at Nanking laid their

plans carefully to bring moral pressure on the military leaders, who at that time entertained much mutual suspicion, to force their attendance. During the autumn civil war was averted only by the narrowest margin. Considerable doubt existed even in Nanking over the ability of Chiang Kai-shek to gather the leaders. Feng Yu-hsiang first went to the capital and then Y en Hsi-shan, but the Kwangsi faction leaders hesitated at the last moment to attend. Chiang Kai-shek had materially to alter his position from one of close cooperation with Feng Yu-hsiang to an agreement with Li Tsung-jen. It appears that Chiang Kai-shek was forced to make great compromises with some of his former principles and run the chance of alienating Feng Yu-hsiang in order to assure the presence of the Kwangsi leaders and the convening of the Conference.

2. Agenda and Composition of Conference.

On December 20, 1928, the Central Political Council released through the Kuo Min News Agency a draft of regulations for the Committee on Reorganization and Disbandment. This resolution created the committee and stated its duties in eleven Articles. For the full text, see Appendix I.

On December 30, 1928, the State Council appointed the following twenty-three members of the National Military Reorganization and Disbandment Conference:

Seven members from the Central Executive Committee:
Messrs. Hu Han-min, Tsai Yuan-pei, Li Shih-tseng, Wu Chih-hui, Chang Ching-kiang, Tai Chi-tao, Wang Chun-hui

The Commanders of the Four Group Armies:
Generals Chiang Kai-shek (Commander-in-Chief)
Feng Yu-hsiang
Yen Hsi-shan
Li Chung-jen
Admiral Yang Shu-chwang (Commander-in-Chief of Navy)

The Chief of Staff: General Li Chi-sen.

The Inspector-General of Military Training:
General Ho Ying-ching.

The Field Commanders of the Four Group Armies:
Generals Chu Pei-teh, Shang Chen, Lu Chung-lin, Pai Chung-hsi

The President of the Executive Yuan: Mr. Tan Yen-kai.

The Minister of Interior, Mr. Chao Tai-wen
The Minister of Finance , Mr. T. V. Soong
The Minister of Communications, Mr. Wang Peh-chun
The Minister of Railways, Mr. Sun Fo.

3. The Conference at Work.

The Conference formally convened on January 1, 1929. Chiang Kai-shek in an opening speech set forth the necessity for the conference as well as its aims and mission. The latter were not restricted to a mere military reorganization and disbandment but embraced a very broad

plan for the centralization of governmental authority and control of national finances. The speech is quoted in full in Appendix II.

At the first business session, on January 5th, a manifesto was issued. An excerpt of the manifesto as reported by the Kuo Min News Agency, is as follows:

"..... the tasks of the Conference may be briefly itemized as follows:

1. Rehabilitation of the country's military affairs and disbandment of surplus troops so as to reduce the military expenditure of the people and to divert the money thus saved to national reconstruction and unification.
2. Rebuilding of the National Army for the strengthening of the national defense.
3. Determination of the military system, military strength and the military budget.
4. Division of garrison areas.
5. Centralization of military control.
6. Accommodation and disposal of disbanded officers and soldiers.

"This Conference," the manifesto continues, "pledges itself to the fulfilment of its mission and agrees, as the first of its guiding principles, to be impartial in its deliberations and decisions. It recognizes all military units as parts of the National Army, one and indivisible. As fellow believers in the Three People's Principles and under the same blue sky and white sun flag, we will effect military reorganization according to our national need and ability. Any suggestion of maintaining separate groups of armies and independent assumption of authority will be regarded as an attempt at prolonging the evil practices of feudalism which will eventually give rise to spheres of influence. It not only runs counter to our Revolutionary principles but will also never be tolerated in the interest of the national welfare.

"Our second principle will be to be true to ourselves and our colleagues in reporting the number of troops under our respective command and to effect actual disbandment in accordance with the decisions of the Conference. During the period of militarism, falsification of reports was often resorted to by various military leaders with the purpose of either claiming larger financial appropriations or concealing their real strength for ulterior purposes. But the military strength of the Kuomintang belongs to the people and no such falsification of reports will be tolerated. As comrades of the Revolution and being of one purpose, we will truthfully and sincerely abide by the decisions of the Conference and carry out the wishes of the central authorities so that the departed spirit of our late leader may be pacified and the desires of the people complied with.

"Thirdly, we will be true to our intentions and translate our words into actions. We will obey the instructions of the central authorities in adequately and properly providing for our disbanded officers and soldiers in order that the disbandment funds may not be squandered and wasted to no purpose.

"Finally, we will not stop at empty words, but will be thorough in our tasks especially in the reorganization and unification of our finances in order that a solid basic foundation may be laid."

Sub-committees were appointed to thrash out the various proposals submitted to the conference and the principle was followed that all controversial subjects were settled by sub-committees prior to their presentation to the plenary sessions. Considerable secrecy attended the meetings and nothing has as yet leaked out regarding the progress of the conference except such resolutions as were officially announced. The first important news release of the conference was the publication of Mr. T. V. Soong's remarkable memorandum on the financial condition of the government in which he convincingly showed that unless the national finances are centralized and that unless the military expenditures are reduced to $192,000,000 (41% of the present estimated income) "the future is dark indeed". The proposal of Mr. Soong was adopted in principal by the session of January 11th. For this informing memorandum, see Appendix III.

The next important announcement was released to the Kuo Min News Agency on January 18th, and contains, so far as is known, the only authoritative and comprehensive statement of the general plan of disbandment and reorganization adopted by the 4th general session of the conference. This statement is quoted in full:

"Judging from the momentous decisions made, the 4th general session of the National Reorganization and Disbandment Conference held this afternoon, was the most important meeting since the Conference was convened. All delegates to the Conference were present including Marshal Feng Yu-hsiang, Generals Yen Hsi-shan, Li Chung-jen, Ho Ying-ching, Li Chi-sen, Messrs. Hu Han-min, Tan Yen-kai, C.T. Wang, T.V. Soong, etc.

"A resolution to abolish all posts of group commanders-in-chief and other high military commanders established during the civil war, and to put all armies of China under the unified command of a Commission on Disbandment was passed. This means abolition of group armies as such; and the National Government will be in direct control of all armies of the country.

"The Conference also adopted a resolution to put all arsenals under the direct control and supervision of the Central Government.

"In carrying out the practical part of the disbandment programme the Conference decided to divide the laborious task of disbandment into six regions geographically. The first four regions will correspond to the first four group armies, the fifth will be in charge of disbandment of troops in the Three Eastern Provinces; and the sixth in charge of disbandment of troops in Szechuan, Yunnan and Kueichow.

"The present programme of disbandment is to reduce the whole national army of the Chinese Republic to a maximum of 65 divisions, each division having about 11,000 men. In other words, this will mean a reduction of more than half of the present armies.

"The number of soldiers, even after reorganization and disbandment, will continue gradually to be decreased until the amount of money needed to support them will not exceed 40 per cent of the total revenue of the National Government.

"Definite plans were passed by the Conference also for taking care of the disbanded soldiers. Funds will be allowed to pay pensions to the disabled, and others will be sent to industrial or vocational schools for training for a period of one to three years.

"The Conference further resolved that as soon as regional and district offices of the Disbandment Commission are established, all revenues throughout China will be collected and controlled by the Ministry of Finance of the National Government. Payment of troops will be made by the Ministry of Finance to the Disbandment Commission which will in turn make disbursements according to the various units. The above resolutions were unanimously passed and will be submitted to the Government for approval and promulgation.

"In brief, the general program fixes the authorized strength of the National Army at 65 Divisions totalling approximately 800,000 men (half of the present number of soldiers) at an annual expenditure of $192,000,000 (41 per cent of the Government's yearly revenue as recommended by Finance Minister T. V. Soong).

"To prevent continuation of the system of regional military control, the Headquarters of the Commander-in-Chief, the Commanders of the various Group Armies, the various Field Commanders as well as the various Central military organs are to be forthwith abolished with the supreme military authority of the Government vested in the Central Disbandment Committee which shall control all military movements throughout the entire country.

"To expedite the carrying out of the various reorganization measures, branch offices of the Disbandment Committee will be established in the various military centers and all arsenals of the Government will stop the manufacture of arms and ammunitions. Membership of the branch Committees of the Disbandment Committee will be composed of representatives of the original Group Army Commanders concerned and those from the Central Pa rty Headquarters and the National Government.

"No single branch Committee of the Disbandment Committee may have under its control more than 11 Divisions of soldiers and no troop maneouvres of any nature will be permitted without express authorization from the Disbandment Committee. Since all military disbursements must only be remitted by the Ministry of Finance, unauthorized requisition of military expenses from any local authority will be strictly prohibited.

"Three principal measures of disbandment will be employed by the Committee. Firstly, all officers and soldiers who are judged too old and those who wish to return to their former occupations will be retired on pension according to their rank; secondly, all officers above the rank of Major who are properly qualified and wish to pursue further studies in their respective fields of specialization will be awarded scholarships to study abroad or in the country according to their qualifications; and thirdly, the surplus minor officers will be given training as supervisors or overseers in the Government's various construction schemes such as river-conservancy, reclamation, afforestation, road building and other industrial and engineering enterprises.

"For the purpose of assisting local police forces in maintaining peace and order, the various Provincial Authorities may organize a Provincial Militia not exceeding three thousand troops who, however, must be maintained at the expense of the Provincial Government concerned.

"A comprehensive outline of the program for National Military Reorganization and Disbandment consisting of seventeen articles was adopted."

(Note: The program of seventeen articles has not become available.)

The conference was adjourned after its sixth plenary session on January 25th. The only known event which seems to have marred the hopeful spirit of the conference was the resignation on January 23rd of Admirals Chen Shao-kwan and Chen Chi-liang, Commanders of the First and Second Squadrons of the Navy, as a protest against the lack of consideration shown the navy by the conference. Admiral Chen Shao-kwan also tendered his resignation as Chief of the Navy Department in the Ministry of Military Affairs. These resignations are believed to be only formal and of no great consequence.

The spirit of satisfaction at the results of the conference is shown in excerpts of speeches made by several leaders at the final session on January 25th. The speeches express high hopes for the carrying out of the resolutions, and at the same time sound a note of the underlying fear which is never absent at Nanking. (See Appendix IV.)

A very remarkable circular telegram was issued by the members of the conference at its final session pledging the faithful carrying out of its programs. For its full text see Appendix V.

4. Committees for Executing Resolutions.

As a result of the conference three committees have come into being, namely:

a) The Standing Committee of the National Military Reorganization and Disbandment Committee.
b) The National Defense Council.
c) The National Finance Committee.

The members of all of the foregoing committees were inducted into office by the State Council on February 2nd.

The function of the Standing Committee of the Reorganization and Disbandment Committee is to carry out the details of the resolutions adopted by the conference. The supreme military authority of the country in theory resides in this standing committee. Its members are:

Wu Chih-hui
Tan Yen-kai
✓ Chiang Kai-shek
✓ Yen Hsi-shan. . . . Chairman, Sub-Committee on Finance
✓ Feng Yu-hsiang. . . " " " " Disbandment
✓ Li Tsung-jen. . . . " " " " Reorganization
Li Chi-shen . . . . " " " " General Affairs
Yang Shu-chwang
Chang Hsueh-liang
Ho Ying-ching
T.V. Soong
Chu Shou-kwang, Vice-Chairman, Sub-Committee on Finance
Liu Chi " " " " " Disbandment
Chang Hua-fu " " " " " Reorganization
Ko Chin-en " " " " " General Affairs

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The following are the members of the National Defense Council:

✓ Chiang Kai-shek	Ho Ying-ching
Tan Yen-kai	✓ Li Tsung-jen
Li Chi-sen	C. T. Wang
✓ Feng Yu-hsiang	T. V. Soong

The following constitute the National Finance Committee:

✓ Tan Yen-kai, Chairman	Yang Shu-chwang
Chiang Kai-shek	Ho Ying-ching
Wu Chih-hui	T. V. Soong
✓ Feng Yu-hsiang	Hu Han-min
✓ Yen Hsi-shan	Lin Sen
✓ Li Tsung-jen	Tsai Yuan-pei
Li Chi-sen	Tai Chi-tao
Chang Hsueh-liang	Sun Fo
	Chen Kuo-fu

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APPENDIX I.

Functions of the Disbandment Committee.

The Central Political Council on December 20 circulated through the Kuo Min news agency the following draft of regulations for the Committee on Reorganization and Disbandment of the National Army:

Art. 1. The National Government, for the purpose of military reorganization, creates the Committee on the Reorganization and Disbandment of the National Army.

Art. 2. The duties of the Committee shall be as follows:

(1) To formulate regulations determining the number of soldiers, the system of reorganization and the expenditure of the National Army.
(2) To divide the country into a number of Garrison Districts.
(3) To determine the annual budget of the Army.
(4) To formulate regulations governing the reduction or retention of the officers of the various armies.
(5) To determine the procedure of centralizing the control of the various armies.
(6) To formulate regulations governing the appointment, removal and transfer of the military officers.
(7) To inspect the present Army, Navy and Air Forces of the country.
(8) To formulate measures for the repatriation and employment of the disbanded officers and soldiers.
(9) To settle all affairs relating to the control of the reorganization and disbandment fund.
(10) To attend to all other matters relating to reorganization and disbandment.

Art. 3. The membership of the Committee on the Reorganization and Disbandment of the National Army, shall be constituted as follows:

(1) The Commander-in-Chief of the Army, Navy and Air Force shall be the Chairman of the Committee.

(2) Other members of the Committee shall be the Commanders of the various Group Armies, the Commander-in-Chief of the Navy, the President of the Executive Yuan, the Ministers of Finance, Interior, Communications, and Railways, the Chief of Staff, the Minister of War, the Inspector-General of Military Training, the Military Advisory Council and from five to seven members of the Central Executive Committee.

(3) Whenever necessary, the Chairman of the Committee may request the Presidents of the various Yuans and other Ministers to attend the meetings of the Committee.

Art. 4. The Committee on the Reorganization and Disbandment of the National Army shall establish four departments: namely, General Affairs, Reorganization, Disbandment and Finance. The General Affairs Department shall take charge of the correspondence, accounts, business transactions, and all other affairs not belonging to the other Departments of the Committee; the Reorganization Department shall take charge

of the affairs enumerated in Sections 1,2,4,5,6, and 7 of Art. 2; the Disbandment shall take charge of all affairs coming under Section 8 of Art. 2; and the Finance Department shall deal with affairs enumerated in Sections 3 and the question of expenditure of the Army.

Art. 5. Each Department shall be under the supervision of a Director and an Associate Director to be appointed by the State Council of the National Government.

Art. 6. The various departments, according to the nature of their business, may create bureaus and divisions, the personnel thereof, except those who are to be specially appointed, may be selected from the various military organs.

Art. 7. Following the inauguration of the Committee on the Reorganization and Disbandment of the National Army, the Headquarters of the Commander-in-Chief of the National Army, the Commanders of the various Group Armies and the Commander-in-Chief of the Navy shall be abolished; but, pending completion of the reorganization and disbandment of the troops, the various Commanders shall be responsible for the handing over of various affairs.

Art. 8. The Committee on the Reorganization and Disbandment of the National Army shall complete its task within a period of six months.

Art. 9. The detailed regulations governing the internal organization of the Committee on the Reorganization and Disbandment of the National Army and the rules of administration of the affairs thereof shall be drawn up separately.

Art.10. These regulations may be amended from time to time whenever necessary.

Art.11. The foregoing regulations shall become effective from date of promulgation.

APPENDIX II.

Speech of Chiang Kai-shek at the Opening of the Disbandment Conference.

At the inauguration of this conference, I must explain to you how Japan became a rich and strong nation so that you will realize how important the meeting is.

When we think of Japan, we at once naturally, think of her aggressive and oppressive policy in China, especially after the Tsinan affair. But to vent our hatred against Japan is useless. We must first find out how she became rich and powerful. Reforms and progress in her education, politics and economic system and in her social, military and diplomatic affairs, have made her a strong nation.

Formerly, the power of government in Japan lay in the hands of the Shogunate, a body of militarists, and under the Shogunate were the subordinate generals, the Samurai. The Samurai had their own lands and their own troops. They were sometimes loyal to the Shogunate, sometimes in a state of revolution.

At the time when the Techuan (?) Shogunate was powerful, the administration was tyrannical. Foreign Powers treated Japan then as they treat China today. Many unequal treaties were concluded between Japan and the Powers. The Japanese people realized the precarious position of their nation and were of the belief that, before foreigners could be expelled and these treaties abolished, the Shogunate must be overthrown and the country made strong. An alliance of generals was formed and the tyrannical Shogunate was overthrown.

Unlike the selfish Chinese militarists of today, the victorious generals immediately handed over all their powers to the Mikado and submitted themselves to be ruled. Not only did they do this, but they surrendered all their lands and troops. Thus, Japan was unified and the troops, formerly under different generals, were reorganized into a state army. After that, western sciences were introduced and many improvements were made in accordance with the ways of the west. These are the causes for Japan's greatness today.

Today, the inauguration of the National Army Reorganization and Disbandment Conference will take place. I already have told you a lot of things about Japanese history and improvements. Now I want you to look at our own faces in the mirror and compare ourselves with Japan. What has been done by Japanese militarists and what has been done by Chinese militarists? Compare the difference and we will feel a sense of shame. Chinese militarists, always have the same aim in view; they always think of how they can recruit more troops, how to defeat others, and how to get more territory to control. This example was first set by Yuan Shih-kai, leader of the Peiyang military party. Tuan Chi-jui, Wu Pei-fu, Chang Tso-lin and many others followed his example. Following the fall of one militarist, another militarist stepped into his shoes and busied himself dividing lands, appointing his own men and controlling the provincial revenues. The orders of the Central Government were ignored. Subordinate generals, not content with the division of the spoils, became dissatisfied and further troubles arose. Thus, the greater the militarist's influence, the more troubles he had. That was the reason why the dream of the Peiyang militarists to unify China by force was never realized. The anti-Northern campaign of the revolutionary armies drove them into the foreign concessions. The Japanese militarists are loved by their own people but the

Chinese militarists are hated by the Chinese. Which would you prefer - the Japanese militarists or the Chinese militarists? Should you wish to remain militarists, and counter-revolutionaries, I have nothing further to say to you. If not, then we must follow the Japanese example and thus the glory of the Kuomintang may be preserved.

Now, we have already taken two steps but we must take two more. The first and second are the anti-Northern campaign and the participation of all military leaders in the Central Government. The third and fourth will be taken by the National Army Reorganization and Disbandment Conference.

Financial and judicial rights should be vested in both the Central and Provincial Governments, but military and diplomatic rights should be vested only in the Central Government. For instance, the constitution of the United States of America provides that no troops may be maintained, no battleships may be built and no treaties may be concluded with foreign Powers by any of the different states. The newly promulgated constitution of Germany likewise places the military and diplomatic powers in the hands of the United Government. But the military and diplomatic powers of China have, for the past 17 years, been in the hands of the militarists and thus civil warfare has ensued. This is why we desire that such rights should be vested in the Central Government.

Some will say that the Central Government is sometimes good and sometimes otherwise and, if the national military rights are vested in it, grave situations will result. This is wrong. The Central Government is the government of the Kuomintang and not of any individual. If the government is not good and its organization incomplete, we must find ways of improving them. If the government authorities are corrupt, we may exert our power to punish and dismiss them. At this period, when our reconstruction programme commences, we should show our revolutionary spirit and not envy one another. Those who scheme to form other governments are counter-revolutionaries and must be punished. In a word, a strong Central Government must be formed first, if we wish to establish ourselves as a powerful nation. And if we wish to form a strong Central Government, we must first vest in it the national military powers. This is the greatest purpose of the National Army Reorganization and Disbandment Conference.

The purpose of the National Army Reorganization and Disbandment Conference is not only to adjust the military affairs, but also to solve our financial problems. If financial problems are not solved, nothing useful can be done. It is my hope that the various military leaders will hand over the financial control to the Central and provincial governments, instead of retaining them. The Customs revenues, salt revenues, stamp duties, oil taxes, and the wine and tobacco taxes all should be handed over to the Central Government, which will formulate strict rules relating to their control and employ only honest tax collectors. All military leaders must, therefore, refrain from interfering with financial affairs.

Lastly, I wish to tell you that this conference is held according to the resolution of the Central Executive Committee of the Fifth Plenary Session of the Kuomintang and it has not been organized by any individual. It must be attended by all military leaders. It is my earnest hope that all faithful members of the Kuomintang will do their utmost to make it a success.

APPENDIX 3.

Memorandum of Mr. T. V. Soong submitted to the Conference on January 11, 1929.

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The principal objects of the Military Reorganization and Disbandment Conference are to set limits to military expenditure, and to arrange for the disbandment of surplus troops. The problems involved in attaining these objects are numerous and complicated, with direct bearing on national finances. The effective strength of the nation's military arm will have to be considered by the Conference, but so must we also give one consideration to the existing financial condition of the country. It is for this reason that a brief sketch of the nation's finances is hereby presented.

Let it be said at the outset that it is impossible to furnish accurate and detailed financial statistics for the entire country for reasons that are well known to this Conference. We may, however, make use of some general figures, which can be accepted as a basis for our discussion and may be considered as in the main correct.

According to such records as we possess, the total national revenues for the 5th Year of the Republic was $295,000,000. The total revenue for the 14th Year of the Republic was placed by the Financial Reorganization Commission of that year at $345,000,000; while the estimated revenue receipts for the 18th year (1929), stand at $457,000,000. The various national taxes which have lately been classed as provincial revenues, amounting to over 112 millions annually, have been omitted from these estimates.

Four Provinces Contribute.

Of the three figures enumerated above, that estimated for the 18th year, of course, is of chief concern for the Conference. Manifestly the figure should not be taken as final or definite. With the nation's finances still disorganized, and, out of the 22 provinces and the special districts, there being only four provinces-Kiangsu, Chekiang, Anhwei, and Kiangsi-that furnish which are fairly complete or reliable, it becomes almost impossible to attempt to arrive at more than a fair estimation. Many of the provinces do not furnish any reports at all, and those do supply data which is either incomplete or of little use. Working under these difficulties, it is only possible for the Ministry to give approximations, basing its figures on whatever available information that exists, and forming a conclusion thereon. The estimates, therefore, should not be taken as wholly accurate, although they are to the best of our knowledge fairly reliable.

The gross deficit for 1929 will not be less than $50,000,000, while it is proposed that the military expenditure should be limited to $192,000,000. But to this must be added the following qualifications:

1. - With the newly promulgated Customs Tariff going into effect, and increase in Customs receipts may naturally be expected. However, in recent months there has been considerable dumping on the part of importers in anticipation of the higher tariff. This is evident in the abnormal increases of high grade imports in the last few months as compared with corresponding periods during past years. Hence, when the new Tariff goes into effect in February, the amount of heavier taxed imports will be decreased, and a material increase in Customs revenues can hardly be expected. Of course, this will be only a temporary phenomenon, and in time the expected increase will appear, but for the year under consideration the possibility of an increase from Customs revenue must be discounted.

2. - The estimated revenue from Likin, prior to its abolition, is placed at $76,000,000. With its imminent abolition and before other suitable tax measures can be effective, there will be a considerable failing off in the Revenue Estimates.

3. - Redemption of national loans. The figure of $155,000,000 refers to the sinking fund charges of al secured foreign and internal loans. Defaulted loans are not included, and any scheme at meeting their bondholders calls for large additional outlays.

4. - The figure estimated for Administrative Expenses is $95,000,000. Of this amount, a considerable portion is associated with the collection of revenue by financial agencies, the administrative expenses of which are deducted directly from revenues collected by such institution as the Customs Administration, the Salt Administration and the Likin Offices, before they reach the Ministry.

The Economic and Financial Conferences held last June, consisting of leading bankers, industrialists, businessmen and financial experts, placed the limits for the annual military expenses at $192,000,000, calculated on the assumption that 50 army divisions will be maintained and with allowances for the navy, air screen, military academies, arsenals, central military administrative expenses, and a military reserve fund of $12,000,000. This allotment of $192,000,000 is equivalent to 41 per cent, of the total estimated revenue of $157,000,000 or 36 per cent of the gross expenditures. If, however, from the Revenue Estimates are deducted such necessary expenses as the sinking fund charge for loans and expenses of the collections, which are first charges on revenue, the proportion occupied by military expenses will be raised to 78 per cent. of the revenue!

Unification Needed.

Complete unification of national revenue is a sine qua non for the establishment of a military budget indeed for anything which we associate with order, system and deobvious planning. The reason is obvious, for once definite sums have been fixed for military expenditures, the Ministry of Finance could not, in any event, fail to make up the sums, but if obstacles are placed in the way of efficient tax collections, it will not be possible to meet such allotments, and the deficit will become insupportable. In suggesting the sum of 192 millions for military expenditure, it was realized at the Economic Conference held last year that although that sum is out of all proportion to the total revenue receipts, and will cause a large deficit, yet it would hardly be practical to disband surplus troops or heavily curtail military expenses all at once. Thus, the delegates were compelled to suggest a temporary solution

to secure, on the one hand, the sympathetic support of our military men, and, on the other, to prevent the utter collapse of government finance. It is further to be considered that the figures for party and administrative expenses are based on past records and that there is no allowance for the expenditures of the five newly established Yuans of the Government and their subsidiary organizations, since the estimates for these have not been approved by the Budget Committees. Our estimate for such expenses is $12,000,000 annually, which will further increase the deficit.

Higher Taxes Impossible.

It is often said that tax rates in China are not as high as those levied in foreign countries. By raising such rates, therefore, it is argued the national revenue will be correspondingly increased. Unfortunately, this cannot be applied to present-day China. For many years this country has witnessed incessant warfare accompanied by droughts, famines, and it will be difficult to justify any substantial increase in tax rates. Rather, the essential thing now in national finances lies in the reorganization of existing taxes, and the centralization of financial control. Such proposed taxes as income tax and inheritance tax even if put into effect at once cannot be expected to yield fruit for many years to come.

What has so far been proposed in this memorandum presupposed that financial unification will be acheved. If we are to face existing conditions we find that facts are quite otherwise and there there is chaos in national finances. There is to-day little if any improvement from conditions existing during the period of warfare. Thus the national revenues from such provinces as Hunan, Hupeh, Kwangtung, Kwangsi, Shensi, Kansu, Honan, Shansi, and Suiyuan, not to mention those from the Three Eastern Provinces, Szechuan, Yunnan, and Kweichow, are entirely appropriated by the localities mentioned. In the provinces of Hopei, Shantung, and Fukien, the revenue officials are at least commissioned by the Central Government, but in other provinces they are appointed by local and military authorities and most of them fail even to render accounts.

At present the Central Government derives its revenues from only four provinces, namely: Kiangsu, Chekiang, Anhwei, and Kiangsi. The receipts of Kiangsi are hardly sufficient to meet its military expenditure, while those of Anhwei are in a like position. The chief source of revenue of the Central Government is thus practivally confined to Kiangsu and Chekiang. And although these two provinces are regarded as as very prosperous owing to military conflicts during the past two years and the establish of the Central Government with its multifarious organs in their midst the drain on them has been altogether too great. In order to meet the urgent administrative and military expenditures the main sources of revenue, such as the 2½ per cent. surtax, the tobacco tax, the stamp tax, etc., have been pledged for the service of various loans. With the success of the northern expedition in midsummer, it was hoped that speedy readjustment would be made and the burdens lightened. But for various reasons, these matters have been postponed until to-day, when the National Military Reorganization and Disbandment Conference is in session.

Government Severely Tried.

During the past six months, not only was it impossible to reduce the military expenditures to any appreciable extent, but administrative expenditures have been ever increasing. With only the limited revenues of the four provinces, and without assistance from other sections, the Central Government during the last six months was severely tried by the difficulty of making both ends meet.

Hence it has resorted to further loans and bond issues, secured on the petroleum tax, wheat and flour tax, and the increased salt tax. So it comes that of the total receipts of the Government of the half year from June to November, 1928, 45 per cent. comes from such loans and bond flotations, while only 55 per cent. were from revenues.

How long can the Government maintain this hand-to-mouth policy? It is time that the finance of the country be centralized and reorganized, or otherwise only bankruptcy can result. The hope of borrowing from abroad for current expenditure must, at least for the immediate future, be regarded as illusory, as many of the overdue foreign loans have not been taken care of. Our banks and the public may continue to subscribe to Government loans, but the available securities of the Government will soon come to an end, and the public have already absorbed securities too freely. The recent financial panic in the north is a warning sign, and although that was a direct heritage from the past and in no way due to the operations of the National Government, yet if we were to continue to depend on borrowing even the strongest banks will be faced by financial difficulties, and the future of all Chinese financial institutions will be placed in great jeopardy.

The trials of national finance are indeed great, and the various sections that are not under the direct control of the Ministry of Finance are faced by similar if not greater difficulties. Something must be done, otherwise there will be no hope for maintaining even the present highly unsatisfactory situation, not to say of reconstruction or educational improvements.

Steps are Outlined.

I am sure the members of the Conference have fully realized the seriousness of the situation and will do their utmost to remedy it. Two basic steps must be taken.

1. - The military expenditure must be strictly limited, and

2. - The national finance must be centralized and reorganized.

I have already indicated to what extent we could safely allow military expenditures to go, and as regards the unification of the national finances, there are three essential points:

1. - The Ministry of Finance must have complete control over the administration of national revenue, and must not be interfered with in any way, by the military authorities.

2. - The Ministry of Finance must have full power to appoint and dismiss financial officials. In appointing the various officials, only the best and most qualified men will be selected; sectionalism and prejudice will not be tolerated. If the authorities of the different provinces at any time voice dissatisfaction over any of the officials appointed by the Central Government as being incompetent or dishonest, their obvious recourse is to draw the attention of the government and the gruevance could be settled by due process of law.

3. - The different civil authorities in the provinces must not interfere with any proceeds of the national taxes or levy surtaxes thereon so that the Government can freely collect or dispose of the national funds according to the best advantage.

National Financial Burdens.

Assuming now that national finances could be unified and reorganized, there are still tremendous difficulties before the Ministry of Finance, although these are transient. The deficit of 60 million dollars in the Budget estimates has to be reckoned with. Further funds will have to be raised for the disbandment of troops over and above the current military expenditures. At the same time the Ministry will be immediately faced by the facts that the lunar New Year is approaching and that the first and second months, according to the old calendar, are always slack months, and the collections in those two months normally amount to only the receipts of an ordinary month. Moreover, the important national taxes have already been pledged as securities fo loans, not to mention the increase of administrative expenditures and the necessity of funds for meeting the unsecured domestic and foreign loans.

We realize that the higher military commands will experience great difficulty in reducing their expenses, but the government's burden in tiding over the coming year will be even greater. In spite of that, howeverm we feel that if a free hand is given to the Ministry in all matters related to finance, we can and will overcome all obstacles.

With financial control unified and reorganized, the present tax system can be effectively improved to that the burden of taxation will fall upon the people more equitably than at present. Smuggling and other evils can be easily dealt with, the collecting offices more efficiently administered, with very gratifying increase in revenue. That this is not mere theorizing we can take the example of Kwangtung, which under the Nationalist Government, increased it receipts from $20,000,000 to more than $100,000,000 in 1926. The one and only secret of success was real, effective, unquestioned unification of finances and as a prescription on a national scale it will be just as potent.

We are certain that after the unification of finance, it will not be difficult for the national revenue to increase by one-third in a year's time, and the estimated deficits of fifty million will thus be overcome in the next year. It is quite possible that in two years the national revenue can be doubled, without undue hardship to the people. The Treasury will then be strong, and general confidence augmented. With such conditions, constructive and educational measures can be really embarked upon, while the general industrial and commercial development will increase by leaps and bouds. But prospects, however alluring, could be realized only after an intervening period of privations and sacrifice. As the future of our Party and of our Country depends so much upon the unification of financial control, the Ministry of Finance wishes to place before the Conference the following proposals:

1. That all national taxes shall be collected only by the agents of the Ministry of Finance; and the military and local authorities shall be strictly forbidden to detain any portion, or impose surtaxes on any pretext whatever.

2. That the Ministry of Finance shall have undivided control over the appointment of financial officers, and the administrative policy.

3. That provincial and railway subsidies to the different armies shall now be remitted to the National Treasury, which shall be responsible for payment of all military expenses.

4. That all provincial gendarmerie or peace preservation soldiery shall be paid out of provincial revenues.

5. That this Conference shall definitely apportion the military allowance among the different military units, and prescribe in detail the procedure of payment to each of the units, which should be followed by the Ministry of Finance. When this plan is fully worked out it shall be submitted to the Government for approval and promulgation as law to be strictly observed by the Military authorities and the Ministry of Finance.

If the five conditions are accepted and put into effect, the Ministry of Finance will be ready to meet regularly and without fail at due dates the annual military expenditure of $192,000,000 in addition to reasonable Disbandment Expenses. If not, the future is dark indeed.

TABLE I

(unit $)

Year	Salt	Customs	Likin	Wine & Tobacco	Stamp	Miscellaneous	Total	Comparison percentage
1916	$84,771,000	72,346,000	75,314,000	27,843,000	5,671,000	29,950,000	$295,895,000	100%
1925	98,859,000	120,365,000	51,348,000	40,730,000	5,864,000	28,567,000	345,753,000	116%
1929	116,570,000	192,350,000	76,280,000	47,040,000	930,000	12,570,000	457,740,000	154%

Appendix to Table I

ORIGINALLY CLASSED AS NATIONAL REVENUE AND NOW CLASSED AS PROVINCIAL REVENUE IN ACCORDANCE WITH DR. SUN'S POLICY

Land Tax	90,081,000
Deeds Tax	14,787,000
Special Business Tax	2,521,000
Pawn Shop Tax	732,000
Animal Tax	638,000
Butcher Tax	3,623,000
Boat Tax	49,000
	$112,431,000

(Kuo Min News Agency)
Jan. 13, 1929

TABLE II

ROUGH ESTIMATES OF NATIONAL REVENUE AND EXPENDITURE FOR 1928

(Unit $)

RECEIPTS		EXPENDITURE	
Salt Tax	116,570,000	Party Expenses	4,800,000
Customs Duties	192,330,000	Civil Expenses	95,420,000
Likin	76,280,000	Military Expenses	192,000,000
Wine & Tobacco Tax	47,040,000	Local Withdrawals	41,430,000
Stamp Tax	12,930,000	Loan Service	155,790,000
Miscellaneous	12,570,000	Miscellaneous	18,430,000
	457,740,000		$507,870,000
Deficit	50,130,000		
	$507,870,000		

x National Revenue retained and likely to continue to be retained by the Provincial Government of Yunnan, Kweichow, Szechuan, Sinkiang, etc.

NOTE: Expenses for the five Yuans, estimated at $12,000,000 a year, have not been included in the above, inasmuch as they have not been passed by the Budget Committee.

NET MONTHLY NATIONAL REVENUE ACCORDING TO PROVINCES AS ESTIMATED BY DELEGATES TO THE FINANCIAL CONFERENCE HELD IN NANKING, JULY 1, 1928

Kwantung) Kwangsi)	5,000,000
Hunan) Hupeh)	4,000,000
Kiangsu) Chekiang)	5,000,000
Anhwei)	1,000,000
Kiangsi	500,000
Fukien	1,000,000
Shantung	400,000
Honan	2,500,000
Hopei	300,000
Shensi	600,000
Total	$20,300,000

Estimates submitted by :

Hsueh Tuh-pi	(II Army Group)
Pei Chi-kun	(IV Army Group)
T.V. Soong	(Chairman)
Chang Shou-yung	Vice Minister of Finance
Ho Ying-ching	(I Army Group)
Li Hung-yen	(III Army Group)
Hsiung Bin	Chief of Military Accounts
Liu Chi-wen	Quartermaster General.

NOTE:
If the special taxes and gambling revenues of Kwangtung are deducted from the above figures, the receipts will be reduced by three millions.

TABLE IV

(Kuo Min News Agency)
Jan. 13, 1929. - 13 -

EXPENSES OF THE VARIOUS FINANCIAL ADMINISTRATIONS

(Unit $)

1. Maritime Customs	18,598,190	
Native Customs	2,688,478	
Surtax Bureaux	1,582,212	22,868,870
2. Salt Administration		17,299,471
3. Likin Administration		9,000,000
4. Expenses of Organs under the direct control of the Ministry of Finance		
A. Expenses of Chekiang, Kiangsu and Anhwei (Salt & Customs Administrations excluded)		5,765,000
B. Expenses of the Ministry of Finance		1,742,148
		$56,675,489

TABLE V

(Kuo Min News Agency)
Jan. 13, 1929 --14--

ARMY EXPENDITURE OF THE LEADING COUNTRIES

Original Currency		In Chinese Currency	% of National Total Expenditure	Monthly Expenditure Chinese Currency
China	M$186,000,000	186,000,000	36%	15,500,000
Japan	¥173,614,000	173,614,000	9%	14,467,000
England	£ 41,565,000	415,650,000	5%	34,637,000
U. S.	$285,000,000	570,000,000	8%	47,500,000
France	fr.6030,566,000	482,445,000	14%	40,203,000

APPENDIX IV.

Excerpts from Speeches of Chiang Kai-shek, Hu Han-min and Tsai Yuan-pei, made at the concluding session of the Conference, January 25, 1929.

"It is gratifying," said Chairman Chiang, "to see such a spirit of sincerity and complete cooperation as has been shown by all of us who have been assembling here in an attempt to settle the country's vital and most complicated internal question. I said at the opening session of the Conference that the future of the country depended upon the success of the Conference. I may now say that the success of the Conference depends upon our carrying out the various measures we have unanimously adopted. Our task is only half finished, for we cannot stop merely at the adoption of a few resolutions. What we have to do now is to keep our aims constantly before us and strive for their realization until we have carried out in full the instructions of our late Leader. For my part, I can assure you that it will be my duty to enforce the decisions of this memorable Conference."

President Hu Han-min of the Legislative Yuan pointed out to the members that before the convocation of the Conference, doubt was freely expressed as to its being convened at all. "After the Conference actually got under way," continued Mr. Hu, "there was considerable speculation as to the results. We have, however, set at rest all doubts as regards the success of the Conference and it is to be expected that we will continue in the same spirit in the carrying out of our plans. Our ability to affect such a thorough reorganization will not only be a proof of the honesty of our purpose and intentions but will also eventually free us all from any foreign restrictions and place the Chinese nation in a position of equality with the rest of the world. We owe it to our people as well as our late Leader to achieve what we have set out to do."

Following Mr. Hu, Dr. Tsai Yuan-pei, President of the Control Yuan, also emphasized the necessity of troop disbandment so as to facilitate the reconstruction of the country.

"We had to resort to militarism in order to batter down all obstacles to our national progress. Having conquered all such obstacles, we have now to dispense with militarism. Of course, we need troops but they must be efficient and well-disciplined. On the other hand, we must not mistake our armies as an end in themselves because they are merely the means to an end. For this reason we must disband our surplus troops and reorganize those we wish to retain. In normal times, we had rather not maintain any army as such because the kind of a New China we wish to build up does not and need not depend upon military force. I hope with the entire Chinese people that after the leaders disperse from this Conference to carry out their new mission, they will appreciate the importance of their task and build a new foundation for the New China," concluded Dr. Tsai.

APPENDIX V.

Circular Telegram Issued at the Conclusion of Conference Pledging Faithful Carrying Out of the Resolutions Adopted.

"Pursuant to a resolution of the 5th Plenary Session of the Central Executive Committee and in accordance with the regulations, formulated by the Central Political, governing the organization and functions of the Conference, we enumerated, at the opening session, our aims and tasks which we have been faithfully and in one and the same spirit endeavoring to accomplish.

"Six general sessions have been convened throughout the conference and before the portrait of our late Leader, under the observation and supervision of the Central Authorities and in the midst of the high hopes of the people, various military reorganization and disbandment programs as well as other important measures of the Government were thoroughly discussed and decided upon. The various adopted schemes have been submitted to the Government for promulgation and enforcement.

"From the time when our late Leader first advocated troop disbandment as a means of national salvation till his death, the forces of militarism persisted in their opposition, and his scheme was not realized in his life time.

"Now, at this period of the downfall of militarism and the unification of the country, our military comrades, mindful of the sufferings of the people, of our national decline, the oppression of foreign Powers and our internal disintegration, could not but carry on the work of our late Leader by uprooting the evil of holding territory by force of arms for personal aggrandizement, and laying a new foundation for national unification and reconstruction.

"The Revolutionary Army is an army of the Kuomintang and the National Government and not an army which can be divided among a number of individuals. It will be wrong to say that the various Armies are henceforth to be 'returned' to the Central Authorities. It will be our task hereafter to make the Army an army of the Party; for our national military strength must be considered as the military strength of the people.

"All historical evidences and considerations of territorial and divisional control must be totally obliterated. The various measures governing our military organization, strength and expenditures as well as the procedure of disbandment, reorganization and inspection must be faithfully carried out, in accordance with the instructions of our late Leader, with resolution and honesty. We shall be impartial and true to our aims. We shall not procrastinate in our task and indulge in 'make-believe'.

"We hereby swear to abide by our declaration and seek to accomplish our fundamental proposal in order that the many years of Revolution may become a success and that reconstruction and unification can be realized. We swear to bring peace to the departed spirit of our late Leader and fulfil the expectations of the masses, and on this closing day of the Conference we once more solemnly pledge our sincerity."

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
SEP 16 1929
6180 20 09-202
WAR DEPARTMENT

G-2 Report

CHINA (Military)

Subject: The Second Reorganization and Disbandment Conference.

RECEIVED G/2 W. D. SEP 13 1929

The first Reorganization and Disbandment Conference, which opened in Nanking on the first of this year, has shown no results. Approximately the same general measures were adopted as have been adopted at the second Conference, but due to the fact that the scheme was too wide in its scope and contained little machinery for its execution, and to the inherent difficulties of disbandment of troops in China, the conference was a failure. The inherent difficulties still remain—they are the love of power of the military satraps; the economic situation which makes an absorption of the excess soldiery extremely hazardous; and the lack of power of the Central Government. In the latter instance there has been a marked improvement since the Wuhan clique, for the time being at least, has been nullified, and Feng Yu-hsiang no longer presents the potent spear he once held.

Broadly, the conference beginning on August 1st and closing on August 6th has reached the following conclusions:

(1) To reduce the army to 800,000 men.
(2) To pay each soldier his back pay and an allowance of $30.
(3) To use that part of the national income released by this reduction to inaugurate public works in order to employ the discharged men.

China's army has been divided into six Disbandment Divisions:

1st - Chiang Kai-shek's personal soldiers.
2nd - Soldiers of the National Government separate from above.
3rd - The Kuominchun and Yen Hsi-shan's troops.
4th - Hupeh and Hunan.
5th - Manchuria.
6th - Yunnan, Kweichow and Szechuan.

A Disbandment Commission will function in each of these areas, appointed largely by the local commanders, which will be responsible that each district has not more than nine divisions, nor less than seven. Before the end of the present month a committee is expected to report on the number of troops actually in these areas. Represented on this committee will be the local commanders but its preponderance will be from the National-Government.

It is announced that in three months the disbandment will be complete. Attention is invited to the fact that public works are to be inaugurated with the moneys released by the discharge of the excess soldiery, and it seems that if this wholesale reduction did take place—of which most of us in China are skeptical—it would be impossible, unless these public works were already in operation on a huge basis, to assimilate this huge soldiery without many upheavals and a wholesale outbreak of banditry.

The Agenda of the Conference, in addition to matters bearing strictly on military reorganization and disbandment, included:

From M/A, China Report No. 7576 August 15, 1929

(1) Formation of a scheme of military preparedness, not incompatible with disbandment, vis-a-vis Russia.

(2) Plans to abolish the post of Route Army Commanders and the return of units to their original garrison posts.

(3) Investigation into the actual strength of various units and the supply of arms and ammunition.

(4) Plans to harmonize the arms and equipment in use throughout the country.

There follows a resume of the activities, so far as known, of each session.

First Session - August 1st.

The Conference was opened by Chiang Kai-shek (see Appendix A). A ceremony followed which called for each member to take an oath that he would do his utmost, even to sacrificing his personal interests, to facilitate carrying out such measures as might be agreed upon.

A report was made by General Ho Ying-chin, in charge of the 4th Disbandment District of the measures already carried out in the 1st and 4th Disbandment Districts in which he stated that in the 1st District 200,000 soldiers and officers have already been disbanded, and in the 4th, 190,000.

Committees were appointed for the examination of various proposals (see Appendix B).

The following regulations as to retention in the service of officers and men were promulgated:

(1) Officer graduates of recognized military academies to be retained.

(2) Officers who have risen from the ranks as privates, possessing good personal character and a strong physical constitution to be retained.

All soldiers between the age of 20 and 30, measuring at least 4 feet 8 inches, physically fit and with no bad habits such as smoking and gambling shall be eligible for retention in the army.

Second Session - August 2nd.

The 4th Disbandment District, comprising the soldiers in Hunan and Hupeh, was abolished and placed under the control of the Central Disbandment Committee at Nanking.

Plans were drawn up to unify the diversity of rifles, guns and equipment throughout China.

The following regulations were announced as governing the various commanding officers in disbandment:

(1) Officers entrusted with the task of disbanding their respective troops shall faithfully carry out their duties.

(2) All responsible officers shall reorganize or disband their units in strict accordance with the measures adopted at the Conference, neglect of duty shall make the offender liable to dismissal and severe punishment.

#7576

(3) All officers and soldiers disbanded by their superior officers in accordance with the program adopted at the Conference shall strictly obey the orders on pain of severe punishment.

(4) Any officer who fails to carry out the disbandment program within the specified time limit shall be liable to severe punishment.

(5) All officers who have faithfully carried out their duties shall be publicly commended and rewarded by the Government.

The Kuo Min News Agency reports that in commenting upon the above regulations, Chiang Kai-shek stated that, "while they might serve to obviate some of the inherent obstacles to the enforcement of the disbandment program, the ultimate success of military reorganization and disbandment would still depend upon whether or not the responsible military leaders understood the significance of their new mission.

Furthermore, an agreement was reached to disband all of the soldiers not included in the disbandment areas, as given below, and upon a uniform payment to be made in all disbandment districts to the individuals disbanded.

Third Session - August 3rd.

This session adopted a plan whereby disbanded officers will be entitled to retirement pensions varying from 35 to 40% of their pay for a period of from 3 to 5 years, depending on the length of their actual service.

It was further agreed that disbandment in Manchuria, Yunnan, Szechuan and Kweichow should be postponed until the Sino-Russian difficulties were straightened out, and until peace was restored in the southwest.

Fourth Session - August 4th.

In order to take care of the varying strengths of the various divisions and to "meet the varying needs of the different localities", the division, for the purposes of disbandment, was classified as:

Grade A	- Composed	of	2	brigades	of	3	regiments	each.
Grade B	- "	"	3	"	"	2	"	"
Grade C	- "	"	2	"	"	2	"	"

(Each regiment is supposed to have 15 companies of from 120 to 130 men, and each division a battalion of artillery and a troop of cavalry.)

Discussions for a loan to float the disbandment program were entered into with the Minister of Finance, T. V. Soong.

Fifth Session - August 5th.

The following scheme was adopted for the employment of disbanded officers and men:

A. Disbanded Officers:

(1) As instructors of Military Training in middle schools. This includes all officers who are graduates of military academies

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and have passed a qualifying examination held under the auspices of the Central Disbandment Committee.

(2) As Police Officers. Disbanded officers who possess a good knowledge of and adequate experience in police affairs will be employed as police officers after having passed an examination to be given by the proper authorities.

(3) As District Officials. Disbanded officers who possess administrative ability will be appointed District officials upon passing an examination.

(4) Training in technical institutes. Disbanded officers who are still in their youth and who have had some training in any special field will be sent to technical institutes to receive further training.

(5) Further military or police training. Disbanded officers between the ages of 20 and 30 with certain qualifications will be sent to military academies or police training institutes to pursue further studies.

(6) To be sent abroad for further studies in military science. Graduates of military academies who have shown an aptitude for study will be sent abroad on Government scholarships.

B. Disbanded Soldiers.

(1) To be employed as gendarmes or local military.

(2) To be employed in various reconstruction enterprises of the Government.

Other proposals adopted at the Fifth Session of the Conference were:

(1) Measures for the repatriation of the disbanded officers and soldiers.
(2) Regulations governing the organization of Disbandment Offices.
(3) The standard for the payment of repatriation and travelling expenses.

Sixth Session, Afternoon of August 5th.

The following proposals were adopted:

(1) Chairmen of Provincial Governments shall not be permitted to hold concurrent posts.
(2) That the battalion be made the unit of disbandment.
(3) That the military expenses of the government during the period for the enforcement of the disbandment program shall be $18,840,000 per month—$3,000,000 for the entire 65 divisions of the National Army; $2,340,000 for uniforms and miscellaneous expenses; and $3,500,000 for administrative expenses of the military organs under control of the Central Government. This decision also provides that the $2,840,000 in excess of the estimated monthly military expenditure of $16,000,000 shall be raised by public loan.

#7576

Seventh and Final Session, August 6th.

A mandate was requested from the State Council prohibiting further recruiting.

A provision was made reducing the salaries of all military and civil officers of the government during the period of disbandment.

A manifesto (Appendix C) was adopted by the Conference.

As a result of the enormous sums desired by the Conference, and the lack of any budget, T. V. Soong submitted the following petition to the State Council, submitting his resignation:

"At the present Conference called to effect the disbandment of troops, the discussion has dealt with huge sums of money for the actual cost of disbandment and for the military expenditures after disbandment shall have been accomplished. As it is my task to raise funds for these purposes, I have summoned a conference of financial experts who reached the unanimous conclusion that while the required sums can be raised, there must be an assurance of an adequate budget system which shall be fully effective hereafter.

"During recent years, the financial situation of the Government has been fraught with overwhelming difficulties and the people have borne the heavy burdens only because of the hope that when the unification of the country shall have been accomplished, military expenditures would be greatly reduced and that a proper budget system would be enforced. There is even now no assurance that these primary principles will be made effective. If after the present disbandment there will still be no limits to military expenditures, if no budget system can be enforced, then the national credit will be ruined and the burdens of the people will become increasingly heavy, so that even if we exhaust all the financial resources of the country, it will be impossible to raise more funds.

"At the Disbandment Conference last spring, it was decided that after disbandment, the military expenditures of the entire country should not exceed $16,000,000 monthly. For a newly established Government, such a military burden is heavy enough. But in observing the tendency of the present Conference, it seems to me that even after disbandment, the monthly military expenditures will undoubtedly be far in excess of the sum then set as a maximum. It is my considered opinion that the monthly military expenditure of the country should not exceed the amount originally decided upon. If this limit is not adhered to, then there is no hope of effecting a national budget, and if there is no budget, no orderly development of the nation is possible.

"At the Fifth Plenary Session of the Central Executive Committee, at the Third Party Congress and at the Disbandment Conference last spring, I submitted detailed figures of receipts and expenditures, indicating the dangers and showing clearly that without a workable budget system, there was no hope for the future.

"While the country was still in a state of civil war, there were justifications for not decreasing the military expenditures and for the failure to operate in accordance with a budget. Now, however, that unification has been achieved and internal dissensions

have been brought to an end, if a reduction in military expenditures and an operative budget system are not enforced, then it becomes impossible for me to face the sorely tried people of our country.

"I have never been afraid to face difficulties. But there are limits to my energy and ability and the reproaches of the entire people in the future will be without bounds. Rather than court a just censure to come, I choose to retire today. I, therefore, respectfully beg to submit my resignation."

Chiang Kai-shek and the State Council have since prevailed upon T. V. Soong to withdraw his resignation, promising rigid adherence to a budget in military expenditures, and to issue Treasury bonds to the extent of 70 million dollars for the expenses of disbandment.

Parker G. Tenney
Parker G. Tenney
Captain, Field Artillery
Assistant Military Attache

Distribution:
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APPENDIX "A"

Commander-in-Chief Chiang Kai-shek, Chairman of the Conference, in his opening speech set forth various reasons why military disbandment must be immediately carried out. "It may strike some people as extraordinary that the National Revolutionary Army which has been the bulwark of the Party and the Government and which has rendered such meritorious services toward the success of our Revolution should now be reduced," the Commander-in-Chief began. "The reason, however, is not far to seek. Our primary object as military men is to serve the country and the nation. If the wishes of the people and the needs of the Revolution decree that we should reduce our troops, it is but natural that we should do so and discharge men from our ranks without hesitation."

"The present situation of the country shows clearly that it is only by troop disbandment that the National Revolution can be completed, the Three People's Principles realized and the meritorious services of numerous military comrades preserved intact. Thus it is not only for the sake of the country and the people but also for our own sake that we should immediately enforce troop disbandment.

"The success of our program depends entirely upon whether we who are present at this Conference can or can not faithfully carry out the various measures to be adopted. The suicidal policy of former Militarists in massing troops to further their own interests is a good lesson to us and we must therefore realize that only by acting in accordance with the wish of the people can we escape from eventual destruction.

"It has been well said in our classics that soldiers are like water; they can either bear the Ship of State or sink it. Again, soldiers are like fire, which, if not controlled will burn ourselves. I hope therefore we now fully realize the necessity of disbandment, even for our own personal interests. To persist in maintaining a big army is tantamount to digging our own grave. We should therefore, all of us, take a solemn oath today before the portrait of our late Party Leader pledging to disband our troops. The present Conference is really a Conference which will reflect upon ourselves as to whether we are deserving of the title of military leaders of the Revolution."

- - - -

APPENDIX "B"

The following Committees were appointed for the examination of the various proposals:

(1) Reorganization Proposals Examination Committee:

Tang Seng-chi (Chairman)
Yang Chieh
Chow Ya-wei
Tsao Hao-sen
Chow Tai
Chin Hwa
Ho Chien

(2) Reparation Proposals Examination Committee:

Li Ming-chung (Chairman)
Ho Yao-tsu
Wang Shu-chang
Lu Chung-lin

(3) Finance Proposals Examination Committee:

Chu Shao-kwang (Chairman)
T. V. Soong
Yu Fei-pang

(4) New Proposals Examination Committee:

Chu Pei-teh (Chairman)
Chen Chi-hao
Jen Ching-yun
Zau Lih-tsz

(5) Navy Proposals Examination Committee:

Chen Chi-liang (Chairman)
Ling Chao
C hen Cheh
Chang Chun

APPENDIX "C"

Manifesto of the Disbandment Enforcement Conference.

The manifesto issued by the Conference is briefly as follows:

With the closing of the Disbandment Enforcement Conference a distinction must be drawn between the nature of the measures adopted at the present Conference and of those adopted at the Disbandment Conference held last spring. The first conference dealt with the general program and principles while the present defines the procedure and determine the detailed measures for the carrying out of those principles.

However, scepticism seems to be still prevailing among the public as to the usefulness of the present Conference. We therefore avail ourselves of this opportunity to clear up some of the issues involved.

(1) It has been contended by some that the success of the disbandment program depends entirely upon the authority and prestige of the Central Government. It is argued that if the Government is sufficiently powerful, the mere issue of a mandate would bring about the desired result, while on the contrary any number of conferences will prove futile if the Central Government cannot force its orders. Such critics are doubtless unaware of the fact that the fundamental principle governing our Party and Government is that of democracy and centralization of power. All important government policies are decided after careful collective deliberations at conference. But once a policy has been adopted, it becomes incumbent upon all to adhere to it. Any Government organ whose duty it is to enforce such a policy must see to it that it is not violated; for only in this way can centralization of power be demonstrated.

(2) Not counting the various military units in the provinces of Szechuan, Yunnan and Kweichow, the total number of troops in the six Disbandment Districts is estimated at 1,600,000 men. The actual number of troops in the entire country, therefore, must be approximately 2,000,000. According to the decision of the Conference, the authorized strength of the National Army shall not exceed 800,000. This means that over half of the existing number of troops must be disbanded. Such a measure has been criticized as being too drastic. But it must be borne in mind that the annual revenue of the Government amounts only to $350,000,000 while to maintain an army of 2,000,000 men requires approximately $396,000,000 annually. This accounts for the large number of public loans floated by the Government and the imposition of exorbitant taxes.

The Government is now on the verge of bankruptcy and the people are no longer able to bear this staggering burden. Though we have rendered meritorious services in the cause of the National Revolution, we have no right to prostrate the entire nation. The question of troop disbandment is therefore one which concerns the preservation of the people; the fact must not be forgotten that even with our Standing Army reduced to 800,000, it would still be the largest Standing Army in the world and that its maintenance will require $260,000,000 annually, amounting to approximately 60% of the national revenue.

(3) Again, it has been contended that in order to carry out troop disbandment, the question of the employment of disbanded soldiers and officers must be solved beforehand. Since no definite arrangements for their employment have so far been completed by the Government, the disbandment of almost one million soldiers would cause the country to be overrun with bandits and outlaws. In this connection, it must be pointed out that the question of the employment of officers is one entirely different from that of soldiers. For the employment of officers, detailed measures have already been formulated which the Government will attempt to carry out to the best of its ability. As for the soldiers, the majority of them being peasants, the question is reduced to the task of sending them back to their farms. It has therefore been decided to allow them repatriation and travelling expenses of 30 dollars each to enable them to return to their native places. If we should wait till all the enterprises for the employment of the disbanded soldiers are organized before proceeding with the disbandment program, then the carrying out of the program would necessarily have to be postponed. But with the troops disbanded, the surplus government revenue can then be used for various reconstruction enterprises and the problem of employing the disbanded soldiers as well as the general unemployment question will be automatically solved.

(4) Another decision of the Conference to the effect that the troops of the various Disbandment Districts should be reduced from eleven to nine divisions has also occasioned much criticism. It is pointed out that the Conference, in trying to maintain the balance of power, has ignored the varying needs of different localities and the training of the various Group Armies and that such a system would also tend to foster a spirit of rivalry. It must, however, be remembered that the decision of the Conference aims merely at setting the maximum limit, and in the actual enforcement of troop disbandment, the various Districts should, of course, take into consideration the special circumstances prevailing in various localities. Since all the troops after disbandment will be under the direct control of the Central Authorities, no rivalry can possibly exist among the various units.

Having realized the imperative need for the immediate carrying out of the disbandment program, it now becomes a question whether we can rise to the occasion and make ourselves worthy of being called Revolutionary leaders. In other words, unless we actually carry out all the measures adopted at the Conference, we are no longer Revolutionary leaders, but are either Counter-Revolutionists, Non-Revolutionists, or Pseudo-Revolutionists according to our personal aspirations and intentions.

Let us, therefore, bear this in mind to the end that we may succeed in realizing this all-important program of military disbandment. May all our comrades and compatriots supervise and direct us in the fulfilment of our mission.

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OFFICE CHIEF OF STAFF
MC NIEL DIV.

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HEADQUARTERS SECOND CORPS AREA
OFFICE OF THE CORPS AREA COMMANDER

2009-2063

CHS/d

WAR DEPARTMENT
GOVERNORS ISLAND, N. Y.

February 14, 1930.

Memorandum for Assistant Chief of Staff, G-2, War Department,
Washington, D. C.

Subject: Request of The Officers' Moral Endeavor Association, Nanking, China.

1. Enclosed are the following papers which are no doubt of interest to your office:

Copy of letter from Major S.H.MacKean,MI-Res., which is self-explanatory.

Letter from The Officers' Moral Endeavor Ass'n,Nanking,China, requesting copy of newsreels depicting the military life of different countries.

Pamphlet describing the above organization.

Copy of letter from Hsu Mo, Commissioner of Foreign Affairs for Kiangsu to American Consul General,Shanghai, re censorship of foreign films.

Copy of Regulations for censoring of film by the Movie Censoring Commission for the Special Municipality of Shanghai.

2. Record of above has been made in this office and letter of appreciation sent to Major MacKean.

O. H. Saunders
O. H. SAUNDERS,
Major, G. S. C.,
A.C. of S., G-2.

Enc. 5

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Feb.14 1930

Major O.H.Saunders
A.C.ofS.,G-2
Headquarters Second Corps Area
Governors Island N.Y.

Dear Major:

I am sending you herewith some letters and pamphlets concerning the Officers' Moral Endeavor Association of Nanking, China. Note especially the paragraph with reference to presenting them with pictures of military affairs in other parts of the world; also their very evident appreciation of the value of propaganda.

I assume that the War Department is familiar with all of this as there does not seem to be any secret about it. I pass it along for what value it may have, nevertheless.

Very truly yours,

S.H. MacKean

SHMacKean:BH

Assignment Editor

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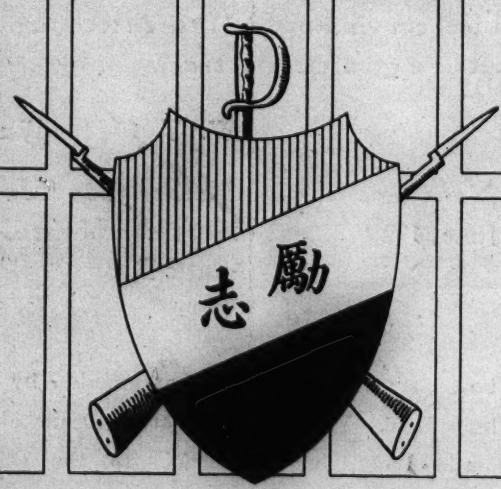


NANKING, CHINA
1929

quote in full

"I wish the Officers' Moral Endeavor Association every possible success in the fulfilment of its beautiful self imposed task.

It is for the officers of the National Army to uphold the highest ideals of self-sacrifice and honour and to be an example not only to the Army but help to the whole nation.

I feel convinced that this Association cannot but be a great help to them.

W. Y. Oudendyk

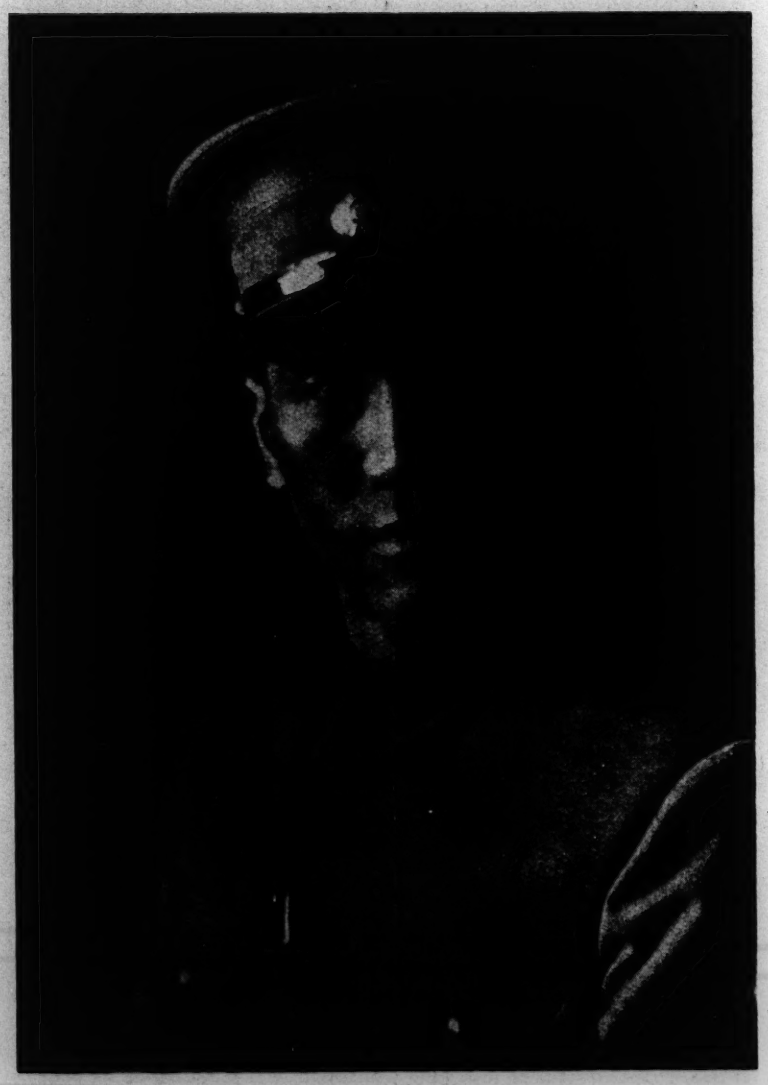
Nanking
3rd, June, 1929

Netherlands Minister
and Dean of the Diplomatic Body"

The above is a statement made by His Excellency, W. Y. Oudendyk, the Dean of the Diplomatic Body, on their visit to the Officers' Moral Endeavor Association, June, 3rd 1929. There were altogether some fifty guests representing seventeen nations. Refreshments were served, and an appropriate program showing the various phases of the Association activities was enjoyed by all.

General
Found

The Officers' M



General Chiang Kai-shek
Founder and President
of
The Officers' Moral Endeavor Association

General Sec. Col. M. T. Tchou

Madame Chiang Kai-shek

And the Staff

Acting Gen. Sec. Col. J. L. Huang

General Chiang Kai-shek

The Origin of the Officers' Moral Endeavour Association

By President Chiang Kai-shek

(Translated by Theodore Tu)

Why did we want to organize the Officers' Moral Endeavour Association? We cannot help recalling to mind the instructive discourse of our late leader, Dr. Sun Yat-sen, on the necessity and meaning of the heart revolution before political revolution; how very clear are his expostulations! He meant to say that if we want to bring about political revolution in China, we must first revolutionize our own hearts. Those who wish to revolutionize must need resolutely devote to the revolutionizing determination, to work only for the welfare of the people and country, refraining from any aspiration for power and riches, and what is more, one must rid himself of each and all the undesirable habits and the evil practices of the past. We must adhere to the revolutionizing determination before revolution in China can succeed, lest, revolution would be a total failure, though we may win victories and enjoy conquests.

This wholesome teaching of our Leader we dare not and cannot afford to forget. As a warning as well as a guiding light, let me respectfully quote a passage from one of his writings:

"When engaging in revolution, wherewith are we to begin? We must start from our very self, departing from all the evil influences and the undesirable habits of the past, such as rut, criminal nature and all that is immoral and unrighteous. So you must begin with the revolution of the heart if you wish to participate in political revolution. When the revolution of the heart becomes a realization, political revolution, then, will succeed."

"Our Military Academy is now well equipped and organized. But if we do not revolutionize our heart, no matter how good our training is, we have little hope of becoming a revolutionary army, and we shall not be equal to the revolutionary task. Therefore, you who wish to revolutionize must first put in you that determined will with an unshakable revolutionary determination. Then you can become leaders of the revolutionary army. And if we wish to make revolution a success, we must begin here and now, pledging upon our honor and with oath that hence forth we shall shun the idea of power and riches, our only task being to save our country and our people, making the three people principle and the five power constitution a realization and revolutionizing with united heart and determined effort. This done, our revolution will achieve its purpose. Otherwise, although you may be able to organize into an army, winning many victories, conquering many cities and each man to expand into a large army unit, you are not a revolutionary army just the same."

Now, we are not only victors, we have not only conquered, but we have unified the whole country! Such an attainment can only be explained by the fact that the fighting force had deeply impressed with our Leader's teachings. So ever since the organization of the Cadet Corps till the end of the Northern Punitive Expedition, numerous are the dead and the wounded. They, one and all, with one heart and united effort, fought for liberty and the welfare of China and her people. They stopped at nothing. They were not afraid to die. Is there any suspicion that they fought for personal aggrandizement, power and riches? Decidedly not! Even the undesirable habits and evil practices of the old society can be washed clean and pure

by the red blood they shed. So the victory of our revolutionary army should be rightly attributed to our martyrs' adhering to the teachings of our Leader and they had begun with the revolution of their own hearts.

But let us look from another angle: that imperialism without has not yet been down; that undesirable elements within are still to be cleaned up; that robbery and communism rapidly spread everywhere; revolution has not as yet reaped a complete success! We who are still alive must all introspect ourselves and ask: "Can we or not revolutionize our heart? Can we or not rid ourselves of the undesirable thoughts, evil practices and bad habits of the past? Can we or not uphold and maintain the good reputation of the revolutionary army? Can we or not exaltantly and unblushingly look at the glory of our Leader and our martyrs?" Alas! we who are to die later, are already conquered by negligence, extravagance, pride, laziness, desolution, cheating, jealousy and numerous kinds of evils. We possess almost only one idea, that is to get power and riches, forgetting the task of freeing our nation and people from their utter sufferance! If we still refuse to wake up, revolution will surely be a complete failure! So for the sake of self deliverance and for the sake of our country, we cannot but organize the Officers' Moral Endeavour Association. The chief object of this Association is, as instructed by our Leader, to possess a determined will to revolutionize, to start with the revolution of the self, and to rid unreservedly evil thoughts and undesirable habits of the past.

Perhaps some would doubt the necessity of such an organization, since moral endeavour is more or less a personal matter. But we must realize that we need adequate means to realize

our object. Moral endeavour association is the means to achieve this purpose. Let me offer the following explanations.

First, we believe in the veriation of the original nature of man changeable through the social forces—the environment. The will of revolution is of course determined by self-awakening. But excepting very few genii, few can escape the constant temptations of the social environment. We have seen many a comrade, who, only a short while ago, was not afraid to die neither covetous. But now they are as incorrigible as any mean man! This, to be sure, is due to their own weakness, yet it cannot be overlooked that the utter corruptions of the society easily befall a man. So if we wish to preserve our revolutionary resolution, we must first strive to improve the environment in which we live. On the one hand, we stress on self-control and self-denial and on the other, we want to develop the ability to live a well-regulated group life. Gambling, smoking and visiting prostitutes are not considered wrong by the old society, so much so that friends are often induced to try on these undesirable pursuits. We do not only discourage acts of inducing, we want to be each other's keeper. In this way there will certainly be less such practices, to say nothing of habit formation.

But we do recognize that men needed wholesome recreation in order to form good habits, and only good habits can help to resist temptations. To meet such needs, the Officers' Moral Endeavour Association is organized with well-defined regulations and good equipments to seek, first of all, to preserve in members that fine determined revolutionary spirit which we value. Onward and forward is our motto.

In the second place, we strongly believe that in order to complete our revolutionary program, we must awaken and join the people to present a united front. So it is clear that the object of revolution is for the welfare of the world, not for any individual good. "Establish oneself through establishing others and improve oneself through improving others," the revolutionists of to-day must possess such will and spirit. Our hope of moral endeavour is not merely the endeavour of a certain individual, nor merely a few friends, we want all who wish to participate in our revolutionary activities together with the entire Chinese population to join and share in our moral endeavour.

This is not a political group. We are most decidedly loyal and obey our Party; we do not criticize our leaders; we do not make any comment on the present political conditions: we do not wish to follow the steps of the Tung-lin scholars of the Ming dynasty. Our only wish is that those who possess genuine revolutionary spirit all join us, to together endeavour on the revolution of our heart, to rid ourselves of the undesirable and evil thoughts and habits. Our association therefore earnestly welcomes our fellow comrades into our fellowship, following the guiding light of our late Leader. In this association there is barrier for none but equal opportunity for all.

Fellow comrades, if you ardently obey the teaching of our Leader, willing to put into practice the revolution of the heart, come and join the Officers' Moral Endeavour Association!

Long live the Officers' Moral Endeavour Association!

Long live the success of revolution!

Long live the Kuo Min Tang!

Moral Endeavour Association For Chinese Military Men

(Extract from the China Press)
Nanking, Mar. 11.

One of the most interesting pieces of work carried on by the National Government in Nanking, and work in which General and Mme. Chiang Kai-shek are particularly interested, is the Moral Endeavour Association for cadets in the Military College and officers in the army. The General felt that work along this line was necessary in order to develop the esprit de corps of the officers and also to give them an opportunity for further self-improvement. With that in mind, General Chiang invited Mr. M. Thomas Tchou to develop the necessary plans. Accordingly, an association was formed, a creed of ten pledges was drawn up by General Chiang, and a constitution was worked out. Every member must agree to stand by the rules and to keep the pledges. These pledges have to do with personal conduct and include items such as refraining from gambling, lying, impure living, borrowing money, etc.

In June ~~of last year~~ 1928 a membership campaign was held and 200 men joined the Association. Each applicant must be personally approved by General Chiang. In October the present building was made available, and it is in the old headquarters of the Artillery School that the various activities are carried on. At present the membership is at the 1,200 mark, and the organization is proving itself exceedingly popular. There is a staff of 12 secretaries, most of whom have had their training in the Y.M.C.A. Cadets in the Military College pay a membership fee of $1 a year, while officers in active service pay $12 a year in quarterly instalments.

In the Educational Department, ~~which is under the direction of Mr. Tchou~~, classes in English, mathematics and Japanese are given. Recently, classes along the lines of the popular education movement have been opened for the members of the National Guards. Group singing and physical training is also offered these men.

The Physical Training Department has a full programme and, in addition, opportunity in musical instruction, Western and Chinese band music, as well as group singing are given. A very fine foreign band is made up of members of the secretarial staff exclusively.

Lectures are arranged, and a couple of weeks ago the new auditorium was opened at which time Dr. C. H. Robertson gave his lecture on the phonofilm.

A co-operative store is very popular, but the most frequented spot in the whole building is the cafetaria, where Chinese food, excellently cooked, can be had for very reasonable prices in the usual cafetaria style. A fine new kitchen, Chinese style, is being completed, in which the white tiles form front and surface of the large native stoves.

The objective, as set out in the constitution, is to develop model revolutionary men. This is to be achieved by elevating the character, further study, putting into practice the pledges, and instilling the real revolutionary spirit.

Judging from the very evident good work that is being done by the organization in Nanking it is no wonder that requests have come to have work of a similar nature started in other centres where there are large numbers of military men.

Gen. Chiang Heads Officers' Moral Endeavor Association

By Hawthorne Cheng Staff Correspondent

(Extract from the Evening News, April 12, 1929)

Generalissimo Chiang Kai-shek is not only the chairman of the National Government of China, but also the chairman of the "Officers' Moral Endeavor Association," which is equally significant. That was since the opening day of the new year, 1929, when the formal inauguration meeting for this association was held. However, active preparations had been afoot for the organization of this association ever since the July 15, 1928. The predeccessor of this new association was called the Moral Endeavor Society attached to the Alumni Association of the Whampoo Military Academy of which the general has been president.

That the motive of the reorganization of this society of the Alumni Association into the Officers' Moral Endeavor Association is to widen the scope of membership. With this reorganization, any officer, though not an Alumnus, may enrole as a member. The following quotation is from the opening address delivered by the chairman, General Chiang Kai-shek, at the Inauguration Meeting on January 1, 1929.

"According to the teachings of our late leader, Dr. Sun Yat-sen, if we want to bring about a political revolution, we must revolutionize our own hearts. Those who desire to join the revolutionary movement must determine at the very outset that they will dedicate themselves entirely to the welfare of the commonpeople and the salvation of the nation as a whole. They should not entertain the least desire for their selfish good. In order to arrive at such a strong determination, they should first launch a thorough revolution of their inner

hearts whence come all kinds of outer misbehavior. If every revolutionist has undergone a reformation of his or her heart before plunging into the revolutionary movement of the nation, the Nationalist movement will be a genuine success."

General Chiang also pointed out in his opening speech at the meeting that in order to bring about a revolution of the heart among the military officers of the government, the organization of this Officers' Moral Endeavor Association was quite necessary.

10 Commandments

The following are the 10 commandments given by the General which every officer desiring to join the association must publicly swear to obey:

1. Thou shalt not covet riches.
2. Thou shalt not fear to die.
3. Thou shalt not advertise thyself for vain glory.
4. Thou shalt not be proud.
5. Thou shalt not be lazy.
6. Thou shalt not commit adultery nor gambling.
7. Thou shalt not smoke.
8. Thou shalt not drink wine.
9. Thou shalt not borrow money.
10. Thou shalt not lie.

Most of the members of the staff of this association, to be fair, are living up to these commandments. In addition, many of them are men of high education and well qualified for their work. The General Secretary, Mr. M. Thomas Tchou, a man of considerable experience and re-

putation especially in social work, is now holding many concurrent positions. He is head of the Labor Department of the Ministry of Industry, Labor and Commerce and English Secretary to the Generalissimo Chiang Kai-shek, besides acting as the General Secretary of this association. Mr. J. L. Huang, for years engaged in secretarial work in the Y.M.C.A. in Shanghai, is now the Associate General Secretary of the association and is devoting his whole time and energy to its work. His services were highly commended as of inestimable value to the advancement of the society by General Chiang during the inauguration meeting.

Return Students

Besides there are quite a few on the secretarial staff of this association who are returned students from the United States and whose education and special training are considered to be of great value to the work of the association. Others have been either revolutionist or party workers especially in military circles.

At present, the association has a membership of approximately 2,000. All the military officers of the National Government and students of the Central Military Training University (formerly Whampoo Military Training Academy in Canton) are eligible. Members who are officers are required to pay $1 per month while those who are students pay $1 per year as dues.

By paying this small sum, they can enjoy many privileges in the association. The association is intended for the development of mental and physical power in no less degree than promotion of the moral welfare of its members in particular and the military official population at large. For their mental development they can

join the classes conducted by the association to study any course on military training they like. Foreign languages are also on the curriculum, being taught mostly by Chinese teachers.

Physical Development

For the physical development of the members, there are in the big compound of the association many playgrounds for various games. After their daily routine and monotonous military discipline, they can receive some relaxation by playing any kind of game they like. There are basket ball, foot-ball, and base-ball games. Grounds are also set aside for the exercise of boxing and swordsmanship.

For the recreation of members of the association, musical instruments are played by different groups at all meetings headed by a trained musician. Films are soon to be shown twice every week in the auditorium of the association and all members are admitted free of charge.

A Speech of Welcome to the Diplomatic Body During their visit, June, 8, 1929

By

Acting General Secretary, J. L. Huang.

Honorable Guests: Ladies and Gentlemen: It is indeed a great honor and privilege for me to represent this Association to extend to you our hearty welcome and cordial greetings. This Association, as you probably know, is founded by the President, General Chiang Kai-shek. As its name indicates, the Officers' Moral Endeavor Association, we are endeavoring to uplift the morals of the soldiers in the army. To begin with it was the wish of the General that we should first start out with the officers and Cadets of the Central Military Academy whose compounds are right adjacent to ours.

Ever since the formal opening of this Association, five months have elapsed. During this time, we were busy in reorganizing our staff, in formulating our program, and in putting the building in shape. We are proud to say that during such short period of time we have been able to establish a cooperative store; to install a bath room and a barber shop; to erect a flag pole; to build a wooden structured auditorium and to put up such athletic facilities as tennis courts, basket ball courts, volley ball courts, baseball and cage ball courts. The last, but not the least is the introduction of cafeteria system, a cafeteria, serving Chinese food, and if I am not mistaken, ours is the first and only cafeteria in whole China.

We have at present 2000 members. To our members we extend them such privileges as moving picture shows, cafeteria, baths, barber shop, educational lectures, Chinese boxing, and all sorts of athletic facilities.

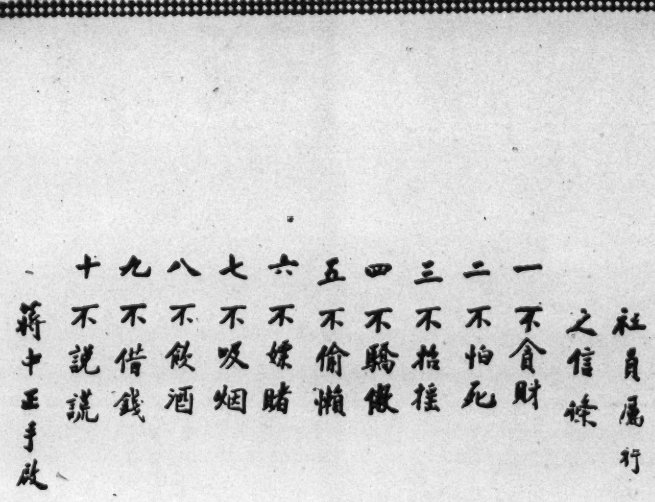
To those who understand our motives and purposes they all seem to hold high esteem in our institution. But, still, there are others who think this is a mere theater or an amusement house. Ladies and Gentlemen, if you will permit me, I will say that we do show moving pictures and we do furnish amusements, but whatever pictures we show here they must first pass a strict censorship and we will only show such pictures which tend to elevate the morals, and to widen the knowledge of our members. Some say that we are just an ordinary restaurant. I beg to say that we are less of a restaurant, because we don't serve and we don't allow to serve alcoholic drinks and smokes. But we are more of a restaurant because by means of cafeteria system we train them in orderliness and keep them in line. Some say that we are just a club. Yes we are a club, because we attend to all the physical comforts that any club can provide, but we are more of a club, and more of an army club, whereby we enbody discipline and instill character and throw an uplifting and wholesome influence upon the members to whom we come in contact with.

The General has handed down Ten Commandments as a guiding light to the lives of our members. They are briefly as follows:—

1. Thou shalt not covet riches.
2. Thou shalt not fear to die.
3. Thou shalt not ostentatiously show thyself.
4. Thou shalt not be proud.
5. Thou shalt not be lazy.
6. Thou shalt not commit adultery nor gambling.

7. Thou shalt not smoke,
8. Thou shalt not drink wine.
9. Thou shalt not borrow money.
10. Thou shalt not lie.

With these ten commandments as guiding principles we strive to reform the hearts of the members. We realize our missions. We are also aware, as secretaries of this Association, we are short and incapable to shoulder these heavy responsibilities. We are constantly looking forward to the guiding advice of the the General. We always welcome helpful suggestions and advices from such distinguished group as are here assembled today. May we be benefited by your expert and frank criticisms? And if any one of your nationals perchance to be in Nanking kindly extend them our invitation. We will be glad to welcome them and show them around this humble place of ours. It is ever our hope that within our compounds we shall see no national barriers, just as Confucious had once said, "Within the four seas all are brothers." And we also believe that by more International visits like this, we shall be able to bring about better understanding and closer friendship between China and the rest of the world.



*Reproduction of the General's own hand writing, the **Ten Commandments.***

The translation reads as follows:—

To be strictly enforced among the members:

1. Thou shalt not covet riches.
2. Thou shalt not fear to die.
3. Thou shalt not ostentatiously show thyself.
4. Thou shalt not be proud.
5. Thou shalt not be lazy.
6. Thou shalt not commit adultery nor gambling.
7. Thou shalt not smoke.
8. Thou shalt not drink wine.
9. Thou shalt not borrow money.
10. Thou shalt not lie.

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OFFICE CHIEF OF STAFF
MILITARY DIV.

THE OFFICERS' MORAL ENDEAVOR ASSOCIATION

NANKING, CHINA

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CHAIRMAN: CHIANG KAI SHEK

GENERAL SECRETARY: J. L. HUANG

December 29, 1929.

The Paramount News, New York
c/o Mr. William H. Jansen, Representative
98b Bubbling Well Road
Shanghai

Dear Sirs:

A little over a year ago President Chiang Kai Shek founded The Officers' Moral Endeavor Association with the purpose of giving the officers of the national army such help and services as rendered by the Y. M. C. A., particularly during the Great War. However, this association has another feature which makes it rather a sort of semi-military organization, giving its members such training as would be supplementary to their regular army training. Of course, the cheif difference lies in the fact that every thing here is done on voluntary basis. At present this association has a membership of about two thousand army officers with President Chiang at its head, and a staff of about thirty men, some of whom being returned students from your great nation.

Realizing the educational value of moving pictures, we have been showing regularly pictures that may have some bearing upon military life. The effect has been quite satisfactory and far reaching.

We are aware of the fact that you have representatives all over the world to shoot events that are worth recording. But, we are particularly anxious to have some news reels that have to do with the various nations in their military parades and the like. We, therfore, take the liberty to ask if you will be kind enough to supply us with one copy each of news reels depicting the military life of these different countries.

Allow us say the following words: Mr. Jansen is doing wonderfully well. We have always been on very cordial terms. We try to give him our fullest support and cooperation. No doubt, he himself will tell you that we are here in this association for a worthy cause. Enclosed you will please find a copy of our pamphelet showing the nature and work of our association.

Awaiting your favorable reply,

We remain,
Sincerely yours,

J. L. Huang

JLH/BW

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WAR DEPARTMENT

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G-2 Report

CHINA (Political)

RECEIVED G/2 W. D. JUN 23 1931

Subject: Law Governing Trial and Adjudication in the Army, Navy and Aeronautic Forces

(Passed by the Legislative Yuan in its 79th Meeting on March 8, 1930)
(Promulgated by the National Government on March 24, 1930.)

Chapter 1. - General Rules

Article 1. - Any persons in the army, navy and aeronautic forces, who break the Criminal Code of the Army, Navy and Aeronautic Forces or commit offenses provided in the Penal Code or in the Law Governing Punishment in Violation of Police Regulations or in other laws which prescribe fixed punishments, shall be tried and sentenced according to provisions of this law.

Civilians who commit offenses as provided in Article 2 of the Criminal Code of the Army, Navy and Aeronautic Forces shall be tried by civil court.

Article 2. - In court-martial trial no spectators shall be admitted.

Article 3. - Reserves, when not summoned, are not subject to trial and adjudication by this law.

Article 4. - When military men break the Penal Code or the Law Governing Punishment in Violation of Police Regulations or commit offenses provided in other laws, superior officers who have the authority to investigate in military matters may also have the authority to prefer charges; however, this article does not include charges except those preferred by persons against whom the offenses have been committed.

Chapter 2. - Organization of Courts-Martial.

Article 5. - Courts-martial shall be of the following three kinds:

(1) The summary court-martial shall be appointed in headquarters of all field commanders, armies, independent divisions and brigades, or at places where the competent high commanding authorities are stationed.

(2) The general court-martial shall be appointed in the same organizations or at the same places as herein before mentioned.

(3) The high court-martial shall be appointed in headquarters of the Commander-in-Chief or in the Ministry of Military Affairs and the Ministry of Naval Affairs.

Article 6. - In each respective unit a summary court-martial consists of a higher military judge advocate as the chief trial judge advocate, two military judge advocates as the trial judge advocates and a recorder.

Article 7. - General and high courts-martial each consists of one chief trial judge advocate, two trial judge advocates, two military judge advocates and a recorder.

The foregoing chief trial judge advocate and trial judge advocates are designated by the highest commanding authority in accordance with the order of rank of the accused, as prescribed in the following table:

CHINA (Political)

Subject: Law Governing Trial and Adjudication in the Army, Navy and Aeronautic Forces

Accused	Chief Trial Judge Advocate	Trial Judge Advocate
Major and military men in the same rank	1 Colonel	2 Lieut. Colonels
Lieut. Colonel and military men in the same rank	1 Brig. General	1 Colonel and 1 Lieutenant-Colonel
Colonel and military men in the same rank	1 Major-General	1 Brig. General and 1 Colonel.
Brig. General and military men in the same rank	1 General	1 Major-General and 1 Brig. General
Major-General and military men in the same rank	1 General	2 Major-Generals
General	1 General	2 Generals

Chapter 3. - Jurisdiction of Courts-Martial.

Article 8. - A summary court-martial shall try and adjudge cases of officers of the rank of captain and below, non-commissioned officers and privates, and any other men in the same grade.

Article 9. - A general court-martial shall try and adjudge cases of field officers and any other men in the same grade.

Article 10. - A high court-martial shall try and adjudge cases of general officers and any other men in the same grade.

Article 11. - Rehearings may be conducted by general and high courts-martial; however, this article does not include the rehearing of a case tried and adjudged in the absence of the accused. (Translator's note: This Article conflicts with Article 53 herein. The translation is made as it appears in the law.)

Article 12. - Due to distance or other obstacles, the chief trial judge advocate, trial judge advocates and military judge advocates may be directed to proceed to the locality in which the trial is to be held, to organize a high court-martial and conduct the trial and adjudication.

Article 13. - Chief trial judge advocates and trial judge advocates of all courts-martial are designated by their respective commanding authorities, but due to convenience in securing facts the accused may be transmitted to another court-martial for trial and adjudication.

The foregoing chief trial judge advocates and trial judge advocates shall not be appointed from among subordinate military commanders. (Translator's note: This is to avoid giving a commander concurrently the power of an advocate.)

CHINA (Political)

Subject: Law Governing Trial and Adjudication in the Army, Navy and Aeronautic Forces

Article 14. - Prisoners of war who commit offenses shall be tried and sentenced by court-martial.

Article 15. - Two or more military men who jointly commit a crime or offense, if they belong and pertain to different commands, the court-martial that first proceeds with the case will perform the trial and adjudication, and if joint offenders are subject to the high court-martial jurisdiction, the case shall be tried and adjudged by the high court-martial.

Article 16. - A military man who committed a crime or offense before having entered the military service will, if the said crime or offense be discovered within the present term of service, be tried and sentenced by court-martial according to his rank. When the crime or offense is committed within his term of present duty but is discovered after he has been relieved or discharged from the service, he shall be tried and sentenced by civil court; this article, however, does not include such crime or offense for which a man has been deprived of his official post and title.

Chapter 4. - Military Investigation.

Article 17. - When military men break the Penal Code or the Law Governing Punishment in Violation of Police Regulations, or commit offenses provided in other laws, superior officers who have the authority to investigate in military matters may also have the authority to search for evidence.

Article 18. - When competent commanding authorities become aware of a crime or offense committed by a person under their command, they shall either themselves proceed with the inquiry and examination or direct the military investigating officer to do so.

Article 19. - Military investigating officers shall be appointed from among the following officers:

(1) Adjutants or military judge advocates in headquarters of various grades.
(2) Superior officers of gendarmerie.
(3) Superior inspecting officers of garrison and emergency headquarters.

In the Navy, they shall be appointed from among police inspecting officers and patrolling officers at naval stations and assistant chiefs of cruisers, ships and squadrons.

Article 20. - When a military man commits a crime or offense, any person may report it at the place of commission or at such other place in which there is stationed a military investigating officer or any competent superior officer of the accused. This rule will also apply to losses and injuries sustained on account of the offense committed by a military man.

Article 21. - Military investigating officers, patrolling corps, gendarmes, judicial police and police may arrest military men charged with offenses. But patrolling corps, gendarmes, judicial police and police, after having arrested military men charged with offenses, shall immediately deliver them to the military investigating officer or their competent superior authorities.

CHINA (Political)

Subject: Law Governing Trial and Adjudication in the Army, Navy and Aeronautic Forces

Article 22. - When a judicial presecutor or judicial police discovers a crime or offense committed by a military man or receives complaints and charges, he shall immediately communicate with or turn him over to the military investigating officer or competent superior authorities.

Article 23. - After having examined all evidence of the case against the accused, the military investigating officer or the competent superior authorities shall give the material evidence, prepare the record of investigation and proceed as follows:

(1) A case considered to be a violation of the penal code shall be reported, in detail, to the commanding authority.

(2) A case considered as under the Law Governing Punishment in Violation of Police Regulations shall be forwarded to the competent official bureau.

(3) A case found to be in error as to jurisdiction, if involving a military man, shall be forwarded to the military investigating officer of the proper court-martial and, if a civilian, to the prosecutor of the proper civil court.

(4) A case belonging to the high court-martial jurisdiction shall be reported to headquarters of the Commander-in-Chief or Ministry of Military Affairs or Ministry of Naval Affairs.

Chapter 5. - Inquiry.

Article 24. - When the Commander-in-Chief or other commanding officer accepts a case charged against an accused it shall be referred to the military judge advocate for investigation.

Article 25. - Military judge advocates in appointing time for the investigation of cases shall issue subpoena and, when necessary, may issue warrant of attachment but shall report forthwith to the competent commanding authority.

An accused who appears before the court in compliance with such subpoena or warrant of attachment shall be examined within twenty-four hours. If and whenever in such investigation the foregoing fixed time has elapsed, it becomes still necessary to detain the accused, a warrant of custody will be issued. When, on account of illness or any other proper and important reason, the accused is unable to appear before the court in response to such subpoena or warrant of attachment, the military judge advocate will proceed with the investigation at the place nearest the residence of the accused, and, if and whenever the accused is far from the court, matters to be inquired into shall be specified and the local military investigation officer and the police and prosecutor of justice in that district shall be requested to perform the investigation instead and to deliver such subpoena and to execute the service of warrant of attachment.

Article 26. - When an accused escapes from such subpoena and warrant of attachment, the proper official organs and prosecutors of all civil courts as well as police bureaux shall be asked by circulars to effect the arrest.

For serious offenders this shall be done secretly in accordance with the foregoing provision.

CHINA (Political)

Subject: Law Governing Trial and Adjudication in the Army, Navy and Aeronautic Forces

Article 27. - When a military judge advocate in such investigation discovers joint offenders or additional offenses other than the original offense, he shall inquire into these offenses directly but, if and whenever joint offenders are subject to the high court-martial jurisdiction, the competent commanding authority will be informed for transmission of the case to headquarters of the Commander-in-Chief or the Ministry of Military Affairs or the Ministry of Naval Affairs.

Article 28. - After concluding the investigation of the case of a civilian who committed an offense jointly with a military man, the said civilian shall be delivered immediately together with the deposition and material evidence to the prosecutor of the proper civil court or to any other official bureau having authority to conduct the investigation.

Article 29. - Upon completion of the investigation by the military judge advocate, the case shall be referred to the court-martial for trial and adjudication. But, if it is found that the case is a breach of deportment or if for any other reasons the case may not be referred to a court-martial, a decision will be adjudged and forwarded with the record of charges to the competent commanding authority for consideration.

Chapter 6. - Trial and Adjudication.

Article 30. - At the opening of a summary court-martial trial, the chief trial judge advocate, trial judge advocates and the recorder shall all be present.

At the opening of a general or high court-martial trial, the chief trial judge advocate, trial judge advocates, military judge advocates and the recorder shall all be present.

The chief trial judge advocate shall have the authority personally to question the accused or to direct the trial judge advocate and the military judge advocate to do so.

Article 31. - During the interval between the opening of the court and the time a decision is arrived at, the chief trial judge advocate may, when he deems it necessary, issue subpoenas, warrants of attachment and warrants of custody.

Article 32. - By warning of the court, the chief trial judge advocate shall execute matters properly.

Article 33. - When the accused who may be awarded punishment more severe than imprisonment escapes, or when the accused who may be punished with a fine receives a subpoena but refuses to appear before the court at the time of its opening, the court may try and adjudge the case in the absence of the accused.

Article 34. - In the trial and adjudication of joint offenses, though some of the accused fail to appear before the court, the court will try and sentence those who have appeared.

CHINA (Political)

Subject: Law Governing Trial and Adjudication in the Army, Navy and Aeronautic Forces

Article 35. - Upon conclusion of a case, the military judge advocate shall prepare, according to the following provisions, the record of proceedings, which will be signed and sealed by the chief trial judge advocate, trial judge advocates, military judge advocates and recorder who joined in the trial, and which will be submitted, together with the record of charges, to the Commander-in-Chief's headquarters, the Ministry of Military Affairs or the Ministry of Naval Affairs, or the highest competent commanding authority:

(1) If accused is found guilty, the record will state clearly the evidence in the case and the proper article of statutory provisions which applies.

(2) If the accused is found not guilty, the record will state clearly the suspected offense charged against him which cannot be proven or which by his conduct does not constitute the commission of an offense.

(3) If the charge is ordered remitted, the record will state clearly whether because of death of the accused, or that the period during which charges may be preferred has elapsed, or because of an amnesty or a special pardon, or that the sentence has been previously adjudged, or by laws which remit the punishment.

(4) If a case is found of error of jurisdiction, the record will state clearly the facts as found in error of jurisdiction.

(5) The record will contain the accused's title and occupation, designation of unit, name, native town, age, residence, and the date when the case was adjudged.

Article 36. Any case falling under any of the following categories, the charges and record of proceedings will be reported by the highest competent authority to the headquarters of the Commander-in-Chief or the Ministry of Military Affairs or the Ministry of Naval Affairs for transmission to the National Government; and, upon its approval, in the case of a sentence adjudged by a high court-martial the order of promulgation of the sentence shall be issued by the Commander-in-Chief or the Minister of Military Affairs or the Minister of Naval Affairs, and in the case of a sentence adjudged by other courts-martial the same will be delivered by the Commander-in-Chief or the Minister of Military Affairs or the Minister of Naval Affairs to the highest competent commanding authority with orders to issue the order of promulgation of the sentence:

(1) That the person be punished with death.

(2) That the general officer, field officer, or military man in the same grade be punished with imprisonment.

(3) That the junior officer, warrant officer, or military man in the same grade be punished with imprisonment of not less than five years.

CHINA (Political)

Subject: Law Governing Trial and Adjudication in the Army, Navy and Aeronautic Forces.

Article 37. - When a junior officer, warrant officer, or any other military man in the same grade shall be liable to imprisonment of less than five years, the competent commanding authority, after announcing the sentence, will report to the headquarters of the Commander-in-Chief, the Ministry of Military Affairs or the Ministry of Naval Affairs or the highest competent commanding authority, for approval.

Article 38. - When a non-commissioned officer or an enlisted man shall be liable to the punishment of imprisonment, the higher competent commanding authority, after announcing the sentence, will make copies of all the documents of the case for the headquarters of the Commander-in-Chief, the Ministry of Military Affairs or the Ministry of Naval Affairs or the highest competent commanding authority, for record.

Article 39. - When summary and general courts-martial are appointed in the theater of operations or in districts under martial law, the competent commanding authority shall directly issue according to provisions of Article 36 the order of promulgation of the sentence but, after announcing such sentence, will make copies of all the documents of the case for the headquarters of the Commander-in-Chief, the Ministry of Military Affairs or the Ministry of Naval Affairs or the highest competent commanding authority.

Article 40. - If a commanding authority deems a sentence adjudged by summary or general courts-martial illegal, he may direct further consideration. One who has not the authority to issue the order of promulgation of a sentence will submit, for attachment to the record of proceedings, his opinion as to the case and report to the headquarters of the Commander-in-Chief, the Ministry of Military Affairs or the Ministry of Naval Affairs or the highest competent commanding authority.

Article 41. - When a sentence adjudged by a court-martial is deemed illegal, the Commander-in-Chief, the Minister of Military Affairs or the Minister of Naval Affairs or the highest competent commanding authority may direct a reconsideration.

Article 42. - After receiving an order to announce the sentence, the chief trial judge advocate, trial judge advocates and military judge advocates shall be present in the court at once and cause the accused to appear before the court, where the sentence will be announced by the chief trial judge advocate.

Article 43. - When an accused, subject to sentence more severe than imprisonment, hides himself or escapes after undergoing any sentence, the court shall issue a warrant of attachment or advise the proper official organs to arrest him or issue a circular order to place him in arrest.

Chapter 7. - Rehearing.

Article 44. - When the Commander-in-Chief, the Minister of Military Affairs or the Minister of Naval Affairs or the highest competent commanding authority considers that the promulgation of a sentence adjudged by a court-martial is inadequate, he may direct a rehearing.

CHINA (Political)

Subject: Law Governing Trial and Adjudication in the Army, Navy and Aeronautic Forces.

Article 45. - In any case falling under any of the following categories, after the promulgation of sentence, the accused may submit an application for rehearing, and if the accused be dead, this may be done by a relative:

(1) Where another person has been tried and sentenced for the same offense and the applicant is not a joint offender.

(2) In case a person is undergoing the promulgation of a sentence on account of false charges.

(3) When fundamental evidence upon which the sentence has been adjudged, has been proven false.

(4) When evidence sufficient to guarantee that the accused should have been sentenced not guilty is discovered.

Article 46. - When the Commander-in-Chief, the Minister of Military Affairs, the Minister of Naval Affairs or the highest competent commanding authority becomes aware of any of the facts mentioned in the foregoing article, he shall direct a rehearing.

Article 47. - When a competent commanding authority discovers facts as stated in Article 45, he shall submit, in writing, for attachment to the record of charges, his opinion as to the case, and report to the Commander-in-Chief, the Minister of Military or the Minister of Naval Affairs or the highest competent commanding authority.

Article 48. - An accused sentenced in his absence to punishment more severe than imprisonment may submit an application for a rehearing, but one who has learned of the promulgation of his sentence or has been arrested or surrendered voluntarily may not submit a statement for rehearing after a limited period of ten days.

Article 49. - The application for a rehearing as stated in Article 45 may be made at any time when the punishment is in course of execution or after the remission thereof.

Article 50. - In the case of a rehearing ordered because of the application submitted by an accused, the punishment to be adjudged shall not be in excess and more severe than the original sentence.

Article 51. - Whoever submits an application for rehearing shall petition to the highest competent commanding authority who controls the proper court-martial, and if the case is under the high court-martial, the petition will be submitted to the headquarters of the Commander-in-Chief or the Ministry of Military Affairs or the Ministry of Naval Affairs.

The military judge advocate who submits an application for rehearing shall forward reasons in writing, for attachment to the record of promulgation of the sentence adjudged by the court that first heard the case and copies of the evidence, which will be examined and approved by the commanding authority for transmission to the headquarters of the Commander-in-Chief, the Ministry of Military Affairs or the Ministry of Naval Affairs, or the highest competent commanding authority.

CHINA (Political)

Subject: Law Governing Trial and Adjudication in the Army, Navy and Aeronautic Forces

An accused or his relative who submits an application for a rehearing shall state reasons in writing, to which will be attached the military judge advocate's opinion for approval by the commanding authority for transmission to the headquarters of the Commander-in-Chief, the Ministry of Military Affairs or the Ministry of Naval Affairs, or the highest competent commanding authority.

In the case of an application for rehearing of a case adjudged in the absence of the accused, the competent commanding authority shall order the rehearing at once.

Article 52. - If the headquarters of the Commander-in-Chief, the Ministry of Military Affairs or the Ministry of Naval Affairs, or those highest competent commanding authorities, after receiving the application for rehearing, consider that the case necessitates a rehearing, or when a petition for rehearing is submitted from the competent commanding authority, the order directing a rehearing should be issued at once.

Article 53. - In the case of an application for rehearing of a case adjudged in the absence of the accused, summary and general courts-martial will not report to the headquarters of the Commander-in-Chief, the Ministry of Military Affairs and the Ministry of Naval Affairs, or the highest competent commanding authority, but shall conduct such rehearing at once.

Article 54. - When the order directing a rehearing is issued from the Commander-in-Chief, the Minister of Military Affairs or the Minister of Naval Affairs, or those highest competent commanding authorities, if the punishment is in course of execution, the execution will be suspended at once, and if it is the death penalty, the punishment will be suspended when the application for rehearing is submitted.

Article 55. - The rehearing of a case is petitioned for and approved; and no sentence adjudged at such rehearing shall be executed until after the recommendation is confirmed.

Chapter 8. - Supplementary

Article 56. - The present law shall become effective from the date of promulgation.

Nelson E. Margetts
Lieutenant-Colonel, Field Artillery
Military Attache

Trans: PGT/MBDeP/SHL

Distribution:
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OFFICE CHIEF OF STAFF
MILITARY INTELLIGENCE
NOV 21 1930
2009-212
WAR DEPARTMENT

CHINA (MILITARY)

CRIMINAL CODE

of the

ARMY, NAVY AND AERONAUTIC FORCES

RECEIVED G/2 W. D. NOV 20 1930

Chapter I. GENERAL

Article 1. This Code shall apply to the offences committed by any person in the army, navy and aeronautic forces.

With exception of the offences provided in this Code, civil laws shall also apply to other offences committed by any person in the army, navy and aeronautic forces.

Article 2. In the theater of operations or within districts where martial law has been proclaimed, this Code shall apply to offences enumerated below and committed by all persons, though not regularly in the army, navy and aeronautic forces.

(1) Offences provided in Article 17.
(2) Offences provided in Conditions 2, 4, 5 and 7 of Article 18.
(3) Offences provided in Condition 2 of Article 19.
(4) Offences provided in Article 20.
(5) Offences provided in Article 21.
(6) Offences provided in Articles 68 to 72
(7) Offences provided in Article 76.
(8) Offences provided in Condition 2 of Article 77 and Condition 2 of Article 78.
(9) Offences provided in Articles 82 to 84.

(10) Offences provided in Articles 91 and 92.
(11) Offences provided in Articles 102 to 105.
(12) Offences provided in Condition 1 of Article 109.
(13) Offences provided in Article 113.

Article 3. Any person in the army, navy and aeronautic forces outside the territory of China found guilty of offences enumerated in this Code shall be punished according to these regulations; and Article 2 of this Code shall also apply to offences enumerated therein and committed by all persons outside the territory of China, though not regularly in the army, navy and aeronautic forces.

Article 4. Any person in the army, navy and aeronautic forces who commits offences provided in this Code or violates other laws within areas occupied by troops of the Republic of China shall be dealt with according to laws for offences committed inside the territory of China. This rule shall also apply to offences committed by Chinese citizens and mercenaries as well as captives within places occupied by troops of the Republic of China.

Article 5. The present personnel of the army, navy and aeronautic forces, reserves when summoned, and those who are at present engaged as military men or who are fulfilling their obligations

in the military service but who have not yet been summoned, are all considered as "military men" of the army, navy and aeronautic forces.

Article 6. Persons named below are regarded as "military men" of the army, navy and aeronautic forces:

(1) Students and student officers belonging to the army, navy and aeronautic forces.

(2) Non-combatant officers and persons attached to the army, navy and aeronautic forces.

(3) Officers and enlisted men of local garrison forces.

Article 7. The word "reserves" means those enlisted men not included in the present personnel and officers above the rank of warrant officers.

Article 8. The term "persons attached to the army, navy and aeronautic forces" means those civil officers who are serving at present in the army, navy and aeronautic forces.

Article 9. The term "chief officer or commander" means a military officer or officers who have the authority to command or who have not the authority in connection with the command but possess a higher rank than the actual commanders.

Article 10. The word "sentries" means military men placed as a garrison or as a guard at places where troops are stationed.

Article 11. The term "military quarters" means all offices, schools and other specially established organs attached to the army, navy and aeronautic forces.

Article 12. When executing death sentence, the chief military judge-advocate shall fix the place of execution where the criminal is to be shot.

Article 13. When imprisonment has been adjudged, the punishment will be executed in a prison that belongs to the army, navy or aeronautical forces, but where there is no such prison belonging to the army, navy or aeronautical forces the punishment may be executed in any other prison or cell. This, however, does not affect cases as provided for otherwise by law.

Article 14. No punishment will be inflicted when the following acts were done with the purpose of suppressing uprisings or of maintaining military discipline when a tense situation at the front has arisen, but a mitigation shall be allowed or the proper punishment shall be remitted in these cases. The same rule shall apply to offences committed and provided in other orders and laws.

Article 15. Provisions contained under "General" shall be applicable, if not contradictory to this Code.

Chapter 2. MISCELLANEOUS

Section 1. Treason

Article 16. Persons rebelling against the Kuomintang of China and the Nationalist Government, and assembling crowds for uprisings shall be prosecuted and punished according to provisions enumerated in the following articles.

(a) Ringleaders shall be liable to sentence of death.

(b) Those participating in the revolt or acting as leaders in the crowds shall be liable to death or life imprisonment.

(c) Those engaged in propagating, plotting or agitating among the people for the enemy shall be punished with imprisonment of from three to ten years.

(d) Accomplices of the above-mentioned classes shall be prosecuted and punished according to the foregoing provisions.

Article 17. Persons guilty of attempts to commit treason and to loot and capture military weapons, arms, ammunition, gunboats, airplanes, and all other kinds of military supplies as well as arsenals, shall be punished with death.

Article 18. Persons guilty of any of the acts enumerated below shall be punished with death:

(a) Delivering to the enemy any important coasts, firing territories, barracks, gunboats, shipyards, airplanes, military weapons, ammunition and articles made by arsenals, as well as all other kinds of articles.

(b) Acting as spies or assistant spies for the enemy.

(c) Disclosing military secrets, or by means of signal flags or telegraph, giving information to the enemy.

(d) Serving as guides to enemy troops or as pilots to enable them to enter harbors or defensive works by fraudulent means.

(e) Compelling commanders to surrender to the enemy.

(f) Seizing or releasing with violence captured ships or captives for the enemy.

Article 19. Persons guilty of any of the acts enumerated below with the intent to benefit the enemy shall be punished with death:

(a) Destroying any important fortification, front lines, barracks, gunboats, shipyards, airplanes, military weapons, ammunition, and articles made by arsenals, as well as all other kinds of articles, or by other means crippling the uses thereof. An attempt to commit the foregoing offences shall be punishable.

(b) Destroying or blocking up land or water communications, lighthouses and signboards or destroying military communications.

(c) Commanders failing to proceed with their troops to defense lines assigned to them, or leaving positions which have been assigned to them without proper authority.

(d) Disbanding troops, or enticing troops to desertion or mutiny, or anything detrimental to the assembly of scattered troops.

(e) Purposely holding back arms, munitions, food supplies, clothing, or other kinds of military supplies.

(f) Detaining documents and telegrams, or delivering false orders, circular messages or reports, or counterfeit orders, circular messages or reports.

Article 20. Apart from provisions contained in Articles 18 and 19, whoever, by using other methods, aids the enemy, thereby causing losses to the government, shall be punished with death or life imprisonment.

Article 21. Whoever agitates troops with the intent to create disturbances shall be punished with death.

Article 22. An attempt to commit the offences provided in Article 16 to Article 20 shall be punishable.

Article 23. Whoever prepares or plans to commit the offences provided in Article 16 to Article 20 shall be punished with imprisonment of more than six months or less than five years.

Article 24. Whoever prepares or plans to commit the offences provided in Article 16 and Article 17 but voluntarily surrenders to the government authority before acts were committed shall be allowed a mitigation of the proper punishment.

Section 2. Crimes of Usurpation of Authority

Article 25. Whoever in contravention of order assumes power to advance or retreat, or attacks without good reasons, shall be punished with death, but this does not apply to movements or acts which are conducted with proper precautions done by reason of the hostile acts of the enemy.

An attempt to commit the foregoing offences shall be punishable.

Article 26. Whoever recruits troops without consent of proper authority shall be punished with imprisonment of more than one year and less than seven years.

Article 27. Whoever gathers together brigands to disturb the local peace shall be punished with death.

Article 28. Whoever collects likin and taxes by compulsion and under false pretence shall be punished with imprisonment of more than three years and less than ten years.

Article 29. Whoever takes forcible possession of official organs or detains public funds without authority given to him shall be

punished with imprisonment of more than one year and less than seven years.

Article 30. Whoever discharges civil or criminal cases or interferes with judicial trials shall be punished with imprisonment of more than one year and less than seven years.

Article 31. Whoever occupies non-official houses by force or purchases government properties illegally shall be punished with imprisonment of more than one year and less than five years.

Article 32. Whoever compels the people to be laborers or commandeers cattle, carts or boats, shall be punished with imprisonment of not more than three years.

Section 3. Crimes of Negligence of Duties

Article 33. Whoever neglects to perform his duty and surrenders to the enemy with troops, abandons important fortifications to the enemy, retreats from the front, or under false pretences fails to advance, shall be punished with death.

Article 34. Whoever incites troops to distress the people shall be punished with death.

Article 35. Whoever shelters bandits that create local disturbances, or having been entrusted with the task of suppressing bandits conspires with them, thereby causing the escape of chief brigands, shall be punished with death.

Article 36. Whoever fails to go to defence lines assigned without good reason, or leaves without proper authority an assigned position, thereby causing losses of military importance, shall be punished with death.

Article 37. Whoever is guilty of extortion from the people or accepts bribes shall be punished with imprisonment of more than three years and less than ten years.

Article 38. Whoever "squeezes" military funds shall be prosecuted and punished in accordance with the following provisions:

(a) When the sum involved is more than five thousand dollars, death or life imprisonment.

(b) When the sum involved is more than one thousand and less than five thousand dollars, imprisonment of more than ten years.

(c) When the sum involved is more than five hundred and less than one thousand dollars, imprisonment of more than three years and less than ten years.

(d) When the sum involved is less than five hundred dollars, imprisonment of less than three years.

Article 39. Whoever detains military funds and delays payment of troops for a period of more than one month shall be punished with imprisonment of less than three years and life imprisonment or death, when such action causes uprisings.

Article 40. Whoever fails to report when vacancies occur in his command, or captures rifles but fails to make the transfer thereof, shall be punished with imprisonment of less than three years.

Article 41. Whoever retains sums over and above the prices paid for arms and munitions or other military articles purchased shall be punished in accordance with the following provisions:

(a) When the sum involved is more than five thousand dollars, life imprisonment or death.

(b) When the sum involved is more than one thousand dollars and less than five thousand dollars, imprisonment of more than ten years.

(c) When the sum involved is more than five hundred dollars and less than one thousand dollars, imprisonment of more than three years and less than ten years.

(d) When the sum involved is more than one hundred dollars and less than five hundred dollars, imprisonment of more than six months and less than three years.

(e) When the sum involved is less than one hundred dollars, imprisonment of less than six months or detention.

Article 42. Commanders who, with the intent to profit, incite their subordinates to commit the offences described in the preceeding Article shall also be punished in accordance with the said Article.

Article 43. Whoever colludes with merchants in corrupt practices and takes commissions on funds expended for purchase of construction and manufacturing materials shall be punished in accordance with Article 41.

Article 44. Whoever appropriates public funds for personal use, counterfeits or alters vouchers and accounts, shall be charged with the crime of improper retention of funds, while the crime of forging documents shall be punished in accordance with the Criminal Law.

Article 45. Whoever reports over and above the numder of names on the rolls of an organization with the intent to misappropriate funds shall be prosecuted and punished with the following:

(a) When the number of names involved is more than one hundred: life imprisonment or death.

(b) When the number of names involved is more than fifty and less than one hundred: imprisonment of more than ten years.

(c) When the number of names involved is more than ten and less than fifty: imprisonment of more than three years and less than ten years.

(d) When the number of names involved is less than ten: imprisonment of less than three years.

Article 46. Whoever transports opium or its substitutes by means of gunboats, war vessels, airplanes, carts or trains, which are occupied

by troops, shall be punished with life imprisonment or death; and whoever transports other forbidden articles, or carries smuggled goods with the intent to escape payment of duties, shall be punished with imprisonment of more than ten years.

Article 47. Whoever compels persons to cultivate opium poppies shall be punished by death.

Whoever protects dealers in the manufacture, transportation or trade in opium or its substitutes shall be punished with death or life imprisonment.

Article 48. Whoever fails in his duties to take suppressive measures when a large number of his command commits offences shall be punished with imprisonment of not more than three years, but imprisonment of more than ten years if thereby disturbances are caused in the country.

Article 49. Sentries who leave their assigned posts without good reasons shall be punished according to the following provisions:

(a) In the presence of the enemy, the death penalty.

(b) In the theatre of operation or in districts under martial law, imprisonment of not more than five years.

(c) In other areas, imprisonment of not more than one year.

Article 50. Sentries who, neglecting duties, sleep on post or are intoxicated on post, shall be punished according to the following provisions:

(a) In the presence of the enemy, imprisonment of not more than five years.

(b) Not in the presence of the enemy, imprisonment of not more than one year.

Article 51. Camp guards, patrols and scouts, as well as others, who are entrusted with the service of security and leave their stations without proper authority, or refuse to go to stations when so ordered, shall be punished according to the following provisions:

(a) In the presence of the enemy, death penalty or life imprisonment.

(b) On military posts or in areas under martial law, imprisonment of not more than five years.

(c) In other cases, imprisonment of not more than one year.

Article 52. Whoever, without good reasons and contrary to regulations, changes sentries or disobeys other orders governing sentries, shall be punished according to the following provisions:

(a) In the presence of the enemy, imprisonment of more than six months and less than five years.

(b) On military posts or in areas under martial law, imprisonment of not more than three years.

(c) In other cases, imprisonment of less than one year.

Article 53. Persons who are responsible for the delivery of military orders, circulars or reports in the theatre of operation or in areas under martial law and who fail to deliver same shall be punished with imprisonment of more than one year and less than seven years, and life imprisonment or death if they thereby cause losses of military importance.

Those who are engaged in scout, patrol or investigation services in the theatre of operation or in areas under martial law and who submit unreliable reports shall be punished with imprisonment of not more than three years, and imprisonment of more than one year and less than seven years if they thereby cause losses of military importance.

Article 54. Persons in charge of the custody of important military maps, plans and other articles, who abandon the same to the enemy when a tense situation arises without performing their duties by devising ways and means not to abandon the same to the enemy, shall be punished with imprisonment of not more than five years.

Article 55. Persons in charge of the despatch or transportation of arms, munitions, rations, clothing or other military supplies in the theatre of operation or in areas under martial law, who hold back the same without good reason shall be punished with imprisonment of not more than three years, and death penalty or life imprisonment if they thereby cause losses of military importance.

Article 56. Whoever knowingly distributes foodstuffs which injure the health shall be punished with imprisonment of not more than three years, and the death penalty or life imprisonment if they thereby cause death of persons.

Article 57. Whoever injures the body of another through carelessness when taking up and using arms and munitions shall be punished with imprisonment of not more than one year and punishment of more than six months and less than five years if thereby he causes death of the person.

Article 58. Whoever fails to suppress bandits without making serious efforts thereby causing the district to suffer from repeated robberies and kidnapping of persons for ransom shall be punished with imprisonment of not more than seven years, and the death penalty or life imprisonment if thereby causing great uprisings.

Article 59. Whoever conspires with bandits and threatens the people shall be punished with death, or life imprisonment.

Article 60. Whoever searches kidnapped persons, and, taking the opportunity afforded, makes demands, shall be punished with imprisonment of not more than ten years, and imprisonment of more than ten years if consequently the said persons have been badly treated.

Article 61. Persons guilty of any of the acts enumerated below shall be punished with imprisonment of not more than five years:

(a) Sheltering and protecting gambling.

(b) Molesting and insulting respectable women and girls by using improper action or speech.

(c) Smoking opium or using its substitutes.

Article 62. An attempt to commit the offences provided in Articles 33, 37, 38 and 56 shall be punishable.

Section 4. Crimes of Disobedience to Orders

Article 63. Whoever retains troops for personal use and disobeys the Order of Transfer from the highest military commander shall be punished with death.

Article 64. Whoever protests against orders of the chief commander or disobeys his instructions shall be punished according to the following provisions:

(a) In the presence of the enemy, the death penalty.

(b) In the theatre of operations or in areas under martial law, life imprisonment or imprisonment of more than ten years.

(c) In other cases, imprisonment of not more than five years.

Article 65. Whoever gathers adherents for the purpose of committing the offences described in the foregoing Article shall be punished according to the following provisions:

(a) In the presence of the enemy, ringleaders shall be punished with death and the remaining culprits with life imprisonment or death.

(b) In the theatre of operations or in areas under martial law, ringleaders shall be punished with life imprisonment and the remaining culprits with imprisonment of more than three and less than ten years.

(c) In other cases, ringleaders shall be punished with imprisonment of more than three years and less than ten years and the remaining culprits with imprisonment of less than seven years.

Section 5. Crimes of Violence and Force

Article 66. Whoever commits violent acts or uses force toward the chief commander shall be punished according to the following provisions:

(a) In the presence of the enemy, death penalty or life imprisonment.

(b) In other cases, imprisonment of more than five years.

Article 67. Whoever gathers adherents for the purpose of committing the offences described in the foregoing Article shall be punished according to the following provisions:

(a) In the presence of the enemy, ringleaders are to be punished with death and the remaining culprits with life imprisonment or death.

(b) In other cases, ringleaders shall be punished with life imprisonment or death, and the remaining culprits with life imprisonment or imprisonment of more than seven years.

Article 68. Whoever commits violent acts or uses force toward sentries shall be punished according to the following provisions:

(a) In the presence of the enemy, imprisonment of more than three years and less than ten years.

(b) In other cases, imprisonment of more than seven years.

Article 69. Whoever gathers adherents for the purpose of committing the offences described in the above-mentioned Article shall be punished according to the following provisions:

(a) In the presence of the enemy, ringleaders shall be punished with life imprisonment and the remaining culprits with imprisonment of more than three years and less than ten years.

(b) In other cases, ringleaders shall be punished with imprisonment of more than three years and less than ten years and the remaining culprits with imprisonment of more than one year and less than seven years

Article 70. Besides the superior officers and sentries, whoever commits violent acts or compulsion to other military men while the latter are engaged in exercising proper functions shall be punished with imprisonment of more than one year and less than seven years.

Article 71. Whoever gathers adherents for the purpose of committing the offences described in the foregoing Article shall be punished in accordance with the following provisions:

(a) Ringleaders shall be liable to imprisonment of more than seven years.

(b) Others shall be punished with imprisonment of more than one year and less than seven years.

Article 72. Whenever a crowd of people gathers together for the purpose of committing violent acts or using force, punishment shall be according to the following provisions:

(a) Ringleaders shall be liable to imprisonment of more than five years.

(b) Those directing the movement or taking the initiative shall be liable to imprisonment of more than three years and less than ten years.

(c) Accomplices and participants shall be liable to imprisonment of less than three years.

Article 73. Whoever abuses his power and commits oppressive acts shall be punished with imprisonment of less than three years.

Article 74. An attempt to commit the offences provided in Article 66 to Article 72 shall be punishable.

Section 6. Crimes of Insult.

Article 75. Whoever insults his superior officers in their presence, or directly by writing, shall be punished with imprisonment of less than one year.

Whoever openly insults his superior officers by drawing pictures, writing, making images, giving lectures or by other means, shall be punished with imprisonment of less than three years.

Article 76. Whoever insults sentries in their presence shall be punished with imprisonment of less than one year.

Section 7. Crimes of Theft and Sale of Military Supplies

Article 77. Whoever commits theft and/or the sale of arms and munitions shall be punished with life imprisonment or imprisonment of more than ten years; and whoever commits theft and sale of the same to brigands shall be punished with death.

Whoever becomes aware of and buys the said arms and munitions shall be punished with imprisonment of more than one year and less than seven years.

Article 78. Whoever buys military articles other than arms and munitions shall be punished with imprisonment of more than three years.

Section 8. Crimes of Manufacture of Ammunition without Authority

Article 79. Whoever manufactures arms and munitions without authority shall be punished with life imprisonment or death.

An attempt to commit the offences provided in this Article shall be punishable.

Section 9. Crimes of Incendiarism

Article 80. Whoever commits incendiarism without good reason, said incendiarism not being necessitated by war, shall be punished with life imprisonment or death.

An attempt to commit the offences provided in this Article shall be punishable.

Article 81. Whoever threatens the people with incendiarism shall be punished in accordance with an attempt to commit the said offences as provided in the foregoing Article.

Section 10. Crimes of Loot and Robbery

Article 82. Whoever seizes arms and munitions belonging to the Militia or the Public Safety Bureau shall be punished with life imprisonment or imprisonment of more than seven years.

Article 83. Whoever commits robbery of valuables shall be punished with death, life imprisonment or imprisonment of more than ten years.

Article 84. Whoever gathers adherents for the purpose of committing robberies shall be punished, whether culprits or participants, with death.

Article 85. Whoever commits theft of valuables, or compels persons to buy or to sell such articles, shall be punished with imprisonment of more than one year and less than seven years.

Article 86. An attempt to commit the offences provided in this Section shall be punishable.

Section 11. Crime of Rape

Article 87. Whoever commits rape shall be punished with death.

An attempt to commit the said offence shall be punishable.

Section 12. Crimes of Fraud

Article 88. Whoever forges orders, circulars or reports in connection with military matters, or delivers the said forged orders, circulars or reports shall be punished according to the following provisions:

(a) In the presence of the enemy, the death penalty.

(b) In the theatre of operations or in areas under martial law, imprisonment of more than seven years, and the death penalty or life imprisonment if the offence causes losses of military importance.

(c) In other cases, imprisonment of not more than five years.

Article 89. Whoever with the intent to avoid enrolment as a soldier pretends to be sick, wounds himself or for this purpose commits other fraudulent acts shall be punished with imprisonment of not more than three years.

Reserves committing the foregoing acts with the intent to avoid being summoned to the colors shall be also liable to the same punishment.

Article 90. Whoever with the intent to avoid being enrolled in the army or to escape a dangerous service commits the foregoing acts shall be punished with imprisonment of more than one year and less than seven years.

Article 91. Military physicians who falsely certify the body of a person in the military service as being strong, weak or sickly, shall be punished with imprisonment of not more than five years, and parties to such certificate shall be liable to the same punishment.

Article 92. Whoever falsely wears uniforms and medals of the Army, Navy and Aeronautic forces, or invents rumors for the purpose of deluding the people, shall be punished with imprisonment of not more than five years.

Section 13. Crimes of Desertion

Article 93. Whoever without good reasons leaves post or refuses to take over a post shall be punished according to the following provisions:

(a) In the presence of the enemy, imprisonment of more than ten years.

(b) In the theatre of operations or areas under martial law, when absence is for at least three days, imprisonment of not more than five years.

(c) In other cases, when absence is for at least six days, imprisonment of not more than three years.

Article 94. Whoever gathers adherents for the purpose of committing the offences described in the foregoing Article shall be punished according to the following provisions:

(a) In the presence of the enemy, ringleaders shall be punished with life imprisonment or death and the remaining culprits with imprisonment of more than ten years.

(b) In the theatre of operations or areas under martial law, when absence is for at least three days, ringleaders shall be punished with imprisonment of more than ten years and the remaining culprits with imprisonment of more than five years.

(c) In other cases, when absence is at least six days, ringleaders shall be punished with imprisonment of more than three years and less than ten years and the remaining culprits with imprisonment of not more than three years.

Article 95. Whoever takes with him arms, horses or other important articles and commits the offences described in Article 93 shall be punished according to the following provisions:

(a) In the presence of the enemy, the death penalty or life imprisonment.

(b) On military posts or in areas under martial law, imprisonment of more than ten years.

(c) In other cases, imprisonment of more than seven years.

Article 96. Whoever gathers adherents for the purpose of committing the offences described in the foregoing Article shall be punished according to the following provisions:

(a) In the presence of the enemy, ringleaders shall be punished with death and the remaining culprits with life imprisonment or death.

(b) In the theatre of operations or areas under martial law, ringleaders shall be punished with death or life imprisonment, and the remaining culprits with imprisonment of more than ten years.

(c) In other cases, ringleaders shall be punished with imprisonment of more than ten years and the remaining culprits with imprisonment of less than five years.

Article 97. Whoever surrenders to the enemy shall be punished with death.

Article 98. An attempt to commit the offences provided in this Section shall be punishable.

Section 14. Crimes of Harboring Deserters

Article 99. Whoever becomes aware of the identity of deserted officers, non-commissioned officers, non-combatants and privates, and shelters and protects them on account of personal feelings and fails to turn them over to their original organizations, shall be punished according to the following provisions:

(a) In the presence of the enemy, imprisonment of not more than five years.

(b) In the theatre of operations or in areas under martial law, imprisonment of not more than three years.

(c) In other cases, imprisonment of not more than one year.

Article 100. Whoever harbors deserters with arms, horses or other important articles shall receive the proper punishment plus one-third.

Article 101. Whoever harbors deserters exceeding ten in number shall be punished with imprisonment of more than three years and less than ten years.

Section 15. Crimes of Damage to Military Properties

Article 102. Whoever destroys by fire or with explosives depots, factories, war vessels, shipyards, lighthouses, airplanes, motor cars and motor trucks used by the army, or any other war materials, shall be punished with life imprisonment or death.

Article 103. Whoever damages any of the articles described in the foregoing Article, or railways, telegraph wires, land and water communications in order to cripple the use thereof, shall be punished with imprisonment of more than ten years.

Article 104. Whoever destroys by fire any arms, munitions, food supplies, clothing, horses or other kinds of military supplies, in the field, shall be punished according to the following provisions:

(a) In the theatre of operations or in areas under martial law, life imprisonment or death.

(b) In other cases, imprisonment of more than ten years.

Article 105. Whoever destroys or damages any arms, munitions, food supplies, war vessels, airplanes, clothing, horses, or other kinds of military supplies, shall be punished with imprisonment of more than one year and less than seven years.

Article 106. An attempt to commit the offences provided in this Section shall be punishable.

Section 16. Crimes and Acts in Opposition to Authority and in Neglect of Duty

Article 107. Whoever supervises or escorts prisoners and wilfully allows them to escape shall be punished with imprisonment of more than three years and less than ten years; and if acts are committed through carelessness, imprisonment of not more than three years.

An attempt to commit the said offence shall be punishable.

Article 108. Whenever without good reasons reserves report after the limited period allowed them for the purpose, they shall be punished in accordance with the following provisions:

(a) In time of war or national emergency when over five days have elapsed beyond time granted, imprisonment of more than one year and less than seven years.

(b) In time of peace when over ten days have elapsed beyond the time granted, imprisonment of not more than one year.

Article 109. Whoever deceives sentries and passes improperly through sentries' posts or disobeys sentries' orders shall be punished according to the following provisions:

(a) In the presence of the enemy, imprisonment of more than one year and less than five years.

(b) In the theatre of operations or in areas under martial law, imprisonment of not more than three years.

(c) In other cases, imprisonment of not more than one year.

Apart from the above provisions, whoever knowingly disobeys orders governing sentries in the latters' presence shall be also liable to the same punishment.

Article 110. Whoever in the custody of any depots, factories, war vessels, shipyards, lighthouses, airplanes, motor cars and motor trucks used by the army, or any other war materials, fails to perform his duties and thereby causes their damage, shall be punished with imprisonment of more than one year and less than seven years; and the death penalty, life imprisonment or imprisonment of more than ten years if the failure to perform duty causes the death of persons when danger arises.

Article 111. Whenever war vessels discover enemy vessels or pirate ships but fail to take pursuit and attack, the commanders concerned shall be punished with imprisonment of more than one year and less than seven years.

Article 112. Whenever commercial ships run aground, go on rocks, are robbed by pirates, or run into any other dangers, and war vessels refuse to go to the rescue without good reasons, the commanders concerned shall be punished with imprisonment of not more than five years.

Article 113. Technical experts who make faulty installation of mechanical implements on ships, trains or airplanes, and thereby cause danger to passengers, shall be punished with imprisonment of not more than three years; and whosoever purposely makes faulty installation of mechanical equipment or becomes aware of the damage to equipment but fails to make a report, shall be punished with imprisonment of not more than ten years, and the death penalty if such action causes the death of persons.

Article 114. Whoever loads salute or signal guns with shot, brick or stones, shall be punished with imprisonment of not more than one year.

Article 115. Whoever hears urgent bugle calls in the theatre of operations or in areas under martial law and fails to respond shall be punished with imprisonment of not more than three years.

Article 116. Whoever gathers personal adherents with the intent to oppose authority or allures persons by pictures or speeches for the same purpose shall be punished with imprisonment of not more than five years.

Article 117. Whoever opposes authority and meets secretly with others opposed to authority shall be punished with imprisonment of not more than five years.

Article 118. Sentries or guards who unreasonably discharge rifles or guns shall be punished with imprisonment of not more than three years.

Supplementary

Article 119. These regulations shall become effective from date of promulgation.

(Passed by the Legislative Yuan at the 47th Meeting on September 10, 1929)

(Promulgated by the Nationalist Government on September 25, 1929)

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Military Attache

OFFICE CHIEF OF STAFF
M.I. INTEL. DIV.
AUG 25 1931
WAR DEPARTMENT

Report

4-1 2009-214 1

CHINA (Military)

Subject: Joint Responsibility Law

RECEIVED G/2 W. D. AUG 24 1931

The following translation of the "Joint Responsibility Law", which was published in Hankow on July 8, 1931, was issued by Chiang Kai-shek to the troops engaged in the Red-bandit suppression campaign.

- - -

The object of our Red-suppression army is to carry out the San Min principles, to complete the National revolution, to protect the party and the country, and to save and help the people. Having personally come to Kiangsi to conduct the suppression, I offer to live or die or to suffer with all the officers and men. I sincerely hope that all the officers and men will harmoniously display a spirit of sacrifice in order to accomplish the arduous task of suppressing the Reds. Whenever we fight with the brigands, irrespective of the danger nobody is permitted to retreat without the order of the higher officers. The sixteen articles of the Joint Responsibility Law are hereby re-announced, with the hope that all our officers and men shall observe them, without violation, with myself.

The Joint Responsibility Law is as follows:

1. If a sergeant and his squad retreat at the same time, the sergeant shall be executed.
2. If a lieutenant and his section retreat at the same time, the lieutenant shall be executed.
3. If a captain and his company retreat at the same time, the captain shall be executed.
4. If a major and his battalion retreat at the same time, the major shall be executed.
5. If a colonel and his regiment retreat at the same time, the colonel shall be executed.
6. If a major general and his brigade retreat at the same time, the major general shall be executed.
7. If a lieutenant general and his division retreat at the same time, the lieutenant general shall be executed.
8. If a general and his army retreat at the same time, the general shall be executed.
9. When a general has not retreated but the officers and men of the army retreat in advance causing the death of the general in battle, the lieutenant generals of the army shall be executed.
10. When a lieutenant general has not retreated but the officers and men of the division retreat in advance causing the death of the lieutenant general in battle, the major generals of the division shall be executed.
11. When a major general has not retreated but the officers and men of the brigade retreat in advance causing the death of the major general in battle, the colonels of the brigade shall be executed.
12. When a colonel has not retreated but the officers and men of the regiment retreat in advance causing the death of the colonel in battle, the majors of the regiment shall be executed.
13. When a major has not retreated but the officers and men of the battalion retreat in advance causing the death of the major in battle, the captains of the battalion shall be executed.
14. When a captain has not retreated but the officers and men of the company retreat in advance causing the death of the captain in battle, the lieutenants of the company shall be executed.

G-2 Report

CHINA (Military)

Subject: Joint Responsibility Law

15. When a lieutenant has not retreated but the officers and men of the section retreat in advance causing the death of the lieutenant in battle, the sergeants of the section shall be executed.

16. When a sergeant has not retreated but the officers and men of the squad retreat in advance causing the death of the sergeant in battle, all the soldiers of the squad shall be executed.

The sixteen articles of the Joint Responsibility Law given above are the essential way for the officers and men to love one another and for the whole army to exist together. Those who observe them will surely win and accomplish their mission, while those who violate them will surely be executed and perish. Let all our officers and men observe them carefully. Do not take these articles as a red tape.

(Issued by the Commander-in-Chief of the Army Navy and Air Forces at Nanchang.)

N E Margetts

Nelson E. Margetts
Lieutenant-Colonel, Field Artillery
Military Attache

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1 File

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G-2 Report

CHINA (Military)

Subject: Miscellaneous Military Notes.

2009-203/1 203/2 203/3

RECEIVED G-2 W. D. MAY 14 1929

1. Reference our Nos. 7454, 7463 and 7472, herewith are further military notes taken from Kuo Min News Agency despatches.

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Peiping, March 24.-- Referring to various rumors concerning the political situation, General Shang Chen, Chairman of the Hopei Provincial Government and concurrently Acting Garrison Commander of Peiping and Tientsin, has notified the various diplomatic representatives that adequate protection will be given to all foreign residents and their property in the territory under his control. General Chang also stated that precautions are being taken by the Third Group Army to maintain peace and order in the North while special attention will be paid to the guarding of the Legation Quarters and the Garrison District of Peiping and Tientsin.

Nanking, March 25. -- An order warning against any attempt by Communists to create disturbances in the North and instructing that careful vigilance be maintained for their detection has been issued by the Central Executive Committee of the Kuomintang to the Provincial Governments of Jehol, Chahar, Suiyuan and Hopei and the Special Municipal Governments of Peiping and Tientsin as well as the Party Affairs Directorate thereof.

The Committee's action is taken in consequence of a report from the Shansi Party Affairs Directorate to the effect that according to the confession of Li Yeh-tang, a notorious Communist leader who was recently arrested by the Provincial Authorities, the Third Internationale is plotting to upset the tranquillity in Inner and Outer Mongolia and also to instigate a general uprising in Hopei province to embarrass the authorities.

Nanking, March 27. -- Special precautionary measures throughout the country against any attempts by Communists to create disturbances are ordered to be taken by the Executive Yuan in a circular dispatch issued yesterday to the various Ministries and National Committees under the Executive Yuan and the different Provincial and Municipal Governments. The order states that reports of contemplated uprisings in various parts of the country have been received by the Government and at this time of military activities, special precaution must be taken against would be disturbers of peace.

Nanking, March 28. -- In a telegram to the National Disbandment Committee, General Chang Hsueh-liang reports the inauguration of the Disbandment Office for the 5th Disbandment Area at Shenyang (Mukden), on the 16th inst., in accordance with the order of the Central Authorities. The new Disbandment Office is in charge of General Wan Fu-lin, Director, and General Yung Chin, Vice-Director. Other members of the Committee are Wu Te-chen, Feng Peng-jen, Liu Wei-yung, Chen Yin-yeh, Kiang Hai-feng, Li Hsing-chung, Chang Hui-ching and Yang Ching-chi.

CHINA (Military)

Subject: Miscellaneous Military Notes.

Nanking, March 29. -- The following important appointments were announced by the State Council yesterday:

General Lu Chung-lin, Political Vice-Minister of War, as Acting Minister of War in the absence of General Feng Yu-hsiang.

General Chang C hun, Administrative Vice-Minister of War, as Mayor of the Special Municipality of Shanghai in succession to General Chang Ting-fan.

General Ho Ying-ching, Inspector General of Military Training, concurrently as Chief of Staff of the National Army in succession to Li Chi-sen, who has been dismissed from service.

Peiping, April 1. -- The Provisional Field Headquarters of the Commander-in-Chief of the National Army, Navy and Air Forces was formally inaugurated today under the directorship of General Ho Chen-chun, C hief Military Counsellor to the National Government and concurrently Director of the Peiping Office of the National Government. The Field Headquarters is created provisionally to facilitate the supervision of military affairs in the North as well as to assist the local authorities in the maintenance of peace and order. It will be abolished as soon as the general situation throughout the country becomes more normal.

John Magruder
John Magruder
Major, General Staff
Military Attache

OFFICE CHIEF OF STAFF
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MAY 1 1929
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2009-203

G-2 Report

CHINA

Subject: Miscellaneous Military Notes.

1. Reference our Report No. 7454 of February 27, and No. 7463 of March 12, herewith are further military notes taken from Kuo Min News Agency despatches.

2009-203

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2009-203 (2)

Nanking, March 4, 1929. -- Mandates of State Council: .... The regulations governing the organization and functions of the Military Reorganization and Disbandment Offices of the National Military Reorganization and Disbandment Committee, having been enacted, are hereby promulgated.

The regulations governing the organization and functions of the Naval Reorganization and Disbandment Office of the National Military Reorganization and Disbandment Committee, having been enacted, are hereby promulgated.

xxx xxx xxx

Peiping, March 10. -- General Li Ping-hsien formally assumed office yesterday as Acting F ield Commander of the 4th Group Army. General Pai Tsung-hsi, the retiring Field Commander, will soon leave for Tangshan where he intends to recuperate from his illness.

Nanking, March 12. -- A set of regulations governing the appointment of students to Government scholarships for the study of military science, naval tactics or aviation abroad has been jointly formulated by the Inspectorate-General of Military Training, the General Staff and the Ministry of War.

According to these regulations, the General Staff Department will be responsible for the sending of students from the Central Military Academy, the Inspectorate-General of Military Training for the selection of officers and soldiers of the National Army and the Ministry of War for the appointment of members from the C ommissariat, Medical Corps, the Air Force and the Naval Departments.

Nanking, March 14. -- General Ho Ying-ching, Inspector General of Military Training, and concurrently Director of the Central Disbandment Office, called the last meeting of the staff members of the Commander-in-Chief's Headquarters yesterday at which all matters pertaining to the H eadquarters were disposed of. The First Disbandment Office will be formally established in the buildings of the Headquarters on Saturday, the 16th inst.

Nanking, March 15. -- General Li Chi-sen, Chief of Staff to the National Government, announces that the National Defence Conference will be held shortly after the conclusion of the Third National Congress, General Li will probably preside over the Conference, it is stated.

The program of national defence has been formulated by the General Staff and is ready for submission to the Conference. The lengthy document is understood to be divided into four parts dealing separately with the reorganization of the National Army and the Naval and Air forces; plans for fortification of various strongholds within the country; the improvement of existing military equipment and the increase of communication facilities.

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CHINA

Subject: Miscellaneous Military Notes

Nanking, March 15. -- President Chiang Kai-shek in his capacity as Commander-in-Chief of the National Army, announced today the abolition of the Headquarters of the Commander-in-Chief and the Headquarters of the Commander of the First Group Army. All military units in the First Group Army are to await reorganization by the 1st Disbandment Office, according to the President's order.

Peiping, March 18. -- It is announced that the Peiping office of the Commander-in-Chief's Headquarters which was recently abolished by order of President Chiang Kai-shek on the 15th inst. will take over various matters relative to the disbandment of the units of the 1st Group Army stationed in the North. General Ho Chen-chun, Chief Military Counsellor to the National Government, will be the Director of the new office.

Nanking, March 18. -- General Feng Yu-hsiang, Vice-Chairman of the Executive Yuan and concurrently Minister of War has petitioned the State Council to be allowed to resign from his concurrent post. Following is a translation of the Minister of War's telegram of resignation received from Honan by the Secretariat of the State Council:

"The Ministry of War being the supreme military administrative organ of the country, its scope of affairs is extensive and its duties and responsibilities especially heavy. Without special ability, I was nevertheless appointed to the important post. Since my assumption of office, I have been under constant apprehension that I might always fall short of my duties, become a disappointment to the Central Authorities and cause ridicule to be heaped upon my head for having filled a post for which I am not at all qualified.

"Finally, due to my inability and inefficiency, I began to feel unequal to the task both mentally and physically. The accumulative effect gradually gave rise to various physical ailments.

"Almost one month has elapsed since I was granted leave of absence and in spite of much medical care, I have not yet begun to feel better.

"As the post of Minister of War is far different from other public offices in that absence of the minister is likely to lead to serious consequences, I, therefore, petition for permission to resign from my post as Minister of War in order that I may escape from punishment in the future. In a previous petition I already begged you to grant my request, and I again respectfully request that, mindful of my physical ailment, you will consent to relieve me from the post of Minister of War so as to enable me to devote myself to regaining my health in the immediate future and to prepare myself for further service. - Respectfully, (seal) FENG YU-HSIANG."

Nanking, March 19. -- Following his resignation as Minister of War, General Feng Yu-hsiang, in a telegram to the State Council, recommends the promotion of General Lu Chung-lin, Vice-Minister of War, as his successor and the appointment of Mr. Liu Chi, formerly Director-General of the Lung-Hai Railway, and at present assistant Director of the Disbandment Department of the Military Reorganization and Disbandment Committee, in succession to General Lu.

#7472

G-2 Report

CHINA

Subject: Miscellaneous Military Notes.

Taiyuan, March 18. -- The newly organized Disbandment Office for the Third Disbandment District held its first meeting yesterday when the leading Commanders of the Third Group Army were present to discuss various measures of disbandment.

It was decided that the Third Group Army be reduced to 8 Divisions and 2 brigades, the cavalry corps forming two divisions, the infantry units, six divisions and the gendarmerie corps, two brigades. The disbanded officers and soldiers will be employed in land reclamation and colonization along the northern border of Shansi and for other reconstruction purposes. The decision will be acted upon as soon as General Yen Hsi-shan has given his approval.

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G-2 Report

CHINA

Subject: Miscellaneous Military Notes.

RECEIVED G-2 W. D. APR 16 1929

1. Reference No. 7454, herewith are further military notes taken from Kuo Min News Agency despatches.

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Nanking, February 21. -- The Nanking office of the Third Group Army was abolished by an order issued yesterday by General Yen Hsi-shan, Commander of the Third Group Army, in accordance with a recent decision of the State Council. Mr. Chao Hao-fu of the Garrison Headquarters of the Peiping-Tientsin area arrived here from Peiping yesterday to attend to the winding up of affairs in the absence of General Yen.

Canton, February 21. -- It is announced that due to important provincial affairs awaiting his attention in Canton, General Li Chi-sen, Chief of Staff of the National Army, will not be able to leave immediately for the capital. General Li, however, will proceed to Nanking in time for the Third National Congress of the Kuomintang. It is believed that General Li's delayed departure will probably cause a postponement of the National Defence Conference which was originally scheduled to be held at Nanking early in March.

Nanking, February 23. -- The following resolutions were adopted at the 21st meeting of the State Council, February 22:

xxx xxx xxx

That the Headquarters of the Commander-in-Chief of the National Armies, the Commanders of the various Group Armies, the Commander-in-Chief of the Navy and the various Field Commanders be abolished before March 15th.

That the various Military Reorganization and Disbandment offices be formally established on March 16th.

That the operation of all arsenals in the country be ordered to cease on April 1st.

xxx xxx xxx

That Ho Ying-ching and others be appointed Directors-General of the Central, First, Second, Third and Fourth Military Reorganization and Disbandment Offices and the Naval Reorganization and Disbandment Office.

Nanking, February 23. -- Generals Wan Fu-lin and Yung Chun were appointed Director and Assistant Director of the Office of the 5th Disbandment Area (the Three Eastern Provinces) by the Standing Committee of the National Military Reorganization and Disbandment Committee yesterday in accordance with a proposal submitted by General Chang Hsueh-liang.

Nanking, February 26. -- Upon his return to the capital, President Chiang Kai-shek despatched telegrams to General Yen Hsi-shan and General Feng Yu-hsiang requesting them to complete the disbandment of their respective units in a minimum period of time so that they can soon return to the capital to assist in dealing with a number of important national measures.

From M/A, China Report No. 7463 March 12, 1929

CHINA

Subject: Miscellaneous Military Notes.

In another telegram to General Li Chi-sen, President Chiang also inquired as to the progress of the troop disbandment in Kwangtung and Kwangsi and urged General Li to proceed to the capital as soon as possible.

Nanking, February 26. -- According to an estimate of the National Military Reorganization and Disbandment Committee, the number of soldiers to be disbanded in accordance with the Disbandment Program determined at the Military Conference total 45 Divisions and 80 Brigades, the number of officers alone being 50,000. The distribution of the soldiers to be disbanded is as follows:

1st Group Army	5	divisions
2nd " "	11	"
3rd " "	5	"
4th " "	7	"
Units in Kwangtung and Kwangsi	2	"
" " Three Eastern Provinces	7	"
" " Fukien	1	"
Units under the direct command of the Central Authorities	7	"

A sum of one million six hundred and twenty-five thousand dollars ($1,625,000) is required monthly to meet repatriation expenses. Other regulations governing employment of disbanded troops and officers and the grant of pension to the disabled are being prepared.

Canton, February 27. -- Pursuant to instructions from General Li Chi-sen, the Headquarters of the 8th Route Army is winding up its affairs preparatory to its abolition before March 15 in accordance with the Disbandment Program determined at the recent Military Conference held in Nanking. The various units heretofore attached to the local Gendarmerie Headquarters will be reorganized into an Independent Brigade with Colonel Teng Hsi-tseng as Commander.

Nanking, February 28. -- Following is a translation of mandates issued yesterday by the State Council.

Since its establishment, the actions of the National Military Reorganization and Disbandment Committee whose duties are great and weighty, have been closely followed by all the people both within and without the country. The Committee members are patriotic, having discussed in harmony, formulated in detail and decided to carry out by degrees, the General Regulations Governing the Reorganization and Disbandment of the Troops.

Now the organization of its General Affairs Department and other departments having been completed, the various Military Reorganization and Disbandment Offices should be established forthwith.

Therefore, the Headquarters of the Commander-in-Chief of the National Revolutionary Army, the Headquarters of the various Group Armies, the Naval Headquarters and the Headquarters of the various Field Commanders are hereby ordered to be abolished on March 15, and the various Military

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Subject: Miscellaneous Military Notes.

Reorganization and Disbandment Offices be formally inaugurated on March 16 to perform their duties. They shall, hereafter, be responsible to carry out separately the plans formulated.

The future of the country will depend upon the success of this task.

- - - -

The operation of all arsenals in the country is hereby ordered to cease on April 1, as petitioned by the National Military Reorganization and Disbandment Committee, and the Ministry of War is hereby instructed to instruct the carrying out of the order.

Nanking, March 1, 1929. -- Resolution adopted at 201st meeting of the Standing Committee of the C.E.C. on March 1, 1929:

That in accordance with a communication from the State Council, Chu Pei-teh, Li Chi-sen, Chow Chi-kong, Chen Chia-yiu, Ting Chao-wu, Ho Ying-ching, Chu Min-yi, Wu Te-chen, and Chen Chao-ying be appointed the Party's deputies to participate in the affairs of the different military Reorganization and Disbandment Offices of the National Military Reorganization and Disbandment Committee.

xxx xxx xxx

That the Regulations governing the functions and the chart showing the organization of the various Military Reorganization and Disbandment Offices, as well as the regulations governing the functions and the chart showing the organization of the Naval Reorganization and Disbandment office be promulgated.

xxx xxx xxx

Nanking, March 6. -- At yesterday's meeting of the Executive Yuan, it was decided that the Aviation Department of the Ministry of War be hereafter known as the Air Force Department, in accordance with a petition from the Minister of War, General Feng Yu-hsiang.

Nanking, March 7. -- A memorandum recommending the establishment of a Ministry of Navy submitted by Admiral Yang Shu-chwang, Commander-in-Chief of the Navy, was brought up for discussion at yesterday's meeting of the Central Political Council which finally decided that the question be reserved for decision at the coming National Defence Conference to be held following the conclusion of the 3rd National Congress.

Nanking, March 8. -- According to a budget prepared by the Auditing Council, the monthly expenses of the various Departments of the National Reorganization and Disbandment Committee are estimated at approximately one hundred thousand dollars ($103,134). The initial expenses for establishing the Departments amount to $96,949. The budget follows:

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Subject: Miscellaneous Military Notes.

General Affairs Department	
Initial expenses	$29,972,00
Ordinary expenses (monthly)	24,322,00
Special expenses "	2,270,00
Disbandment & Employment Department	
Initial Expenses	19,873.00
Ordinary expenses (monthly)	21,298.00
Special expenses "	5,260.00
Reorganization Department	
Initial expenses	26,202.00
Ordinary expenses (monthly)	23,449.00
Special expenses "	10,770.00
Military Finance Department	
Initial expenses	20,892.00
Ordinary expenses (monthly)	14,375.00
Special expenses "	1,400.00
TOTAL	$200,083.00

Nanking, March 10, -- Abolition of the Headquarters of the Commander-in-Chief will be effected on March 15 as previously decided, according to General Ko Ching-en, Chief Staff Officer of the Headquarters. The winding up of the Headquarters has been completed as are also the preparations for the inauguration of the Central Disbandment Office which will take its place.

John Magruder

John Magruder
Major, General Staff
Military Attache

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1 Tientsin
1 File

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G-2 Report

CHINA

Subject: Miscellaneous Military Notes.

1. Herewith are quoted a series of military notes chosen from the files of the official Kuo Min News Agency. I shall continue to forward such notes in the future. It is requested that none of this material be incorporated in the Digest since it will be seen that, for the most part, it relates to some future action or development rather than accomplished fact. Much that is planned will not eventuate, but the notes will show the trend of military thought and endeavor. As soon as any of the projects are realized Digest reports will be forwarded.

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Nanking, Feb. 6. -- An Aviation Institute will shortly be opened at Peiping for the training of aviators, according to information from the Aviation Department of the Ministry of War. A plan for the school together with an estimated budget has been submitted by the Department to the Ministry for consideration. Eight army planes, which will be used for practice purposes, are expected to arrive from France some time next month.

Nanking, Feb. 5. -- A gift, consisting of a war tank and a number of the most up-to-date rifles and field guns manufactured at the Mukden arsenal, was received yesterday by President Chiang Kai-shek from General Chang Hsueh-liang. The arms are being sent to the Central Military Academy for practice purposes.

Nanking, Feb. 2. -- At yesterday's meeting of the State Council, the naturalization law and the regulations governing its enforcement were adopted for promulgation. The meeting also adopted a set of regulations governing the examination and selection of competent men to study in military and naval colleges abroad on government scholarships.

Nanking, Feb. 8. -- Two sets of regulations, one governing the organization of the Military Disbandment Offices and one governing the organization of the Naval Reorganization Office, have been drafted by General Ho Ying-ching, Inspector-General of Military Training, for submission to the Standing Committee of the National Military Reorganization and Disbandment Committee. Preparations for the organization of the offices for various disbandment areas are now completed and work will be started as soon as the regulations are approved by the Committee.

Nanking, Feb. 7. -- The 174th meeting of the Central Political Council was held yesterday .... The following resolutions were adopted .... 4) That Yang Shu-chwang, Chao Tai-wen and Yen Hsi-shan be specially appointed members of the National Defence Council.

Nanking, Feb. 9. -- At the second meeting of the Standing Committee of the National Military Reorganization and Disbandment Committee yesterday, the appointment of staff members of the various Disbandment Offices and the determination of a budget for initial expenses of the various Departments of the Committee were discussed at length.

Nanking, Feb. 14. -- Under instructions from the National Military Reorganization and Disbandment Committee, the Ministry of War is preparing for the convocation of a National Defence Conference in the near future. To facilitate the task a Preparatory Committee has been organized

CHINA

Subject: Miscellaneous Military Notes.

with General Chang Chun, Vice-Minister of War, as Chairman. A detailed investigation into modern national defence methods, particularly as regards the employment of the army, navy and air forces, and the fortification of strategic centres on the coast and land borders is being conducted by the Committee , which is composed of the Directors of the various Departments of the Ministry and members of the General Staff. The date for the holding of the Conference will be announced as soon as the investigation is completed and a program for the strengthening of national defence has been formulated.

Nanking, Feb. 15. -- General Ho Ying-ching, Inspector-General of Military Training, is preparing a detailed report of the major military operations of the Government covering the period from the Second National Congress to the conclusion of the recent Military Conference for submission to the Third National Congress of the Kuomintang.

The various Yuan and Ministries have also been instructed by the Central Political Council jointly to compile a report of their respective administrative plans for submission to the Congress.

Nanking, Feb. 15. -- In a circular order to all military organs, the State Council instructs that a full report of the number of fallen or disabled officers and soldiers of the different armies together with their names be submitted to the State Council for reference. The Central Government is understood to be devising measures for those who became disabled and suffered other losses in the course of their active participation in the Revolution.

Nanking, Feb. 15. -- It is learned that the choice of Directors of the various Disbandment Offices has already been decided upon by the Standing Committee of the National Military Reorganization and Disbandment Office, and will be announced as soon as President Chiang returns to the Capital. General Ho Ying-ching will be appointed Director of the Disbandment Office for the First Group Army; General Lu Chung-lin for the Second Group Army; General Shang Chen for the Third Group Army; and Gen. Pai Tsung-hsi for the Fourth Group Army.

The Headquarters of the First Group Army has been declared abolished as from today and its various offices are being taken over by the Disbandment Office.

Canton, Feb. 15. -- An order instructing the immediate reorganization of the various armies of the 8th Route Army into Divisions according to the plan adopted by the Military Conference and the disbandment of surplus troops was yesterday issued by General Li Chi-sen to the Commanders of the various Armies stationed in Kwangtung and Kwangsi. The order specifies that the reorganization must be completed before March 15.

Nanking, Feb. 15. -- A number of young officers in the Army who served throughout the Northern Expedition and were consequently prevented from attending school, will be sent to various institutions in the country and abroad, according to their qualifications, at Government expense as soon as they are discharged from active service. The regulations governing selection of the officers, which were adopted at yesterday's meeting of the Standing Committee of the Central Executive Committee, provide that candidates for such Government scholarships in various government institutions in the country shall first pass an examination given by the responsible military authorities. Those wishing to go abroad for graduate studies must pass an additional examination given by the Organization Department of the Central Party Headquarters.

CHINA

Subject: Miscellaneous Military Notes.

Nanking, Feb. 16. -- Directors for the various Disbandment Offices were appointed at yesterday's meeting of the Standing Committee of the National Military Reorganization and Disbandment Committee. General Ho Ying-ching is to become Director for the Central Disbandment Office and General Chu Pei-teh, of the Disbandment Office for the First Group Army, both to function jointly.

The Disbandment Office of the Second Group Army is to be under the directorship of General Lu Chung-lin with General Shih Ching-ting as Vice-Director. The Third Group Army's Disbandment Office will be under Generals Chow Tai and Koo Jen-fa, and that of the Fourth Group under Generals Pai Tsung-hsi and Hu Chung-tuh.

Admiral Y ang Shu-chwang will be director of the Navy Reorganization Office, but pending his recovery Vice-Admiral Chen Chi-liang, Commander of the First Squadron, will act in his place.

Nanking, Feb. 20. -- The Standing Committee of the National Military Reorganization and Disbandment Committee held its fourth meeting yesterday. General Ho Ying-ching, Inspector General of Military Training, presided in the absence of President Chiang Kai-shek.

It was decided that in order to realize the railway construction schemes of the Ministry of Railways, all military and other miscellaneous railway levies be immediately abolished. The Military Finance Department of the various Armies will be instructed to devise measures jointly with the Ministry of Finance to carry out the plan.

Admirals Chen Shao-kuan and Chen Chi-liang and Mr. Tseng Yi-ting were appointed members of the Standing Committee of the Naval Reorganization Office at the meeting. With regard to the draft regulations governing the appointment and dismissal of military officers, a Committee of seven consisting of Generals Lu Chung-lin, Ko Ching-en, Messrs. Liu Chi, Chu Shao-kwang, Hsiung Bin, Chang Hau-pu and Admiral Chen Shao-kuan were appointed to examine the regulations.

Nanking, Feb. 17. -- A detailed report of the major military operations of the National Government covering the period from the Second National Congress to the conclusion of the recent Military Conference is being prepared by General Ho Ying-ching, Inspector-General of Military Training, for submission to the Third National Congress of the Kuomintang. It is understood that the report will be divided into eight chapters, each of which is to be compiled by a group of Party workers appointed by General Ho. The various phases to be dealt with and the writers selected are:

1. <u>The Situation Following the Close of the Second National Congress</u>: Zau Li-tze, Cheng Hung-yu and Zau Chien-chung.

2. <u>The Beginning of the Northern Expedition and the Capture of the Provinces of Hunan, Kwangtung, Kiangsi and Fukien: Chang Ting-fan</u>, Wang Pen-ning, Chen Hung-yu, Chiang Peh-chen, Chow Wei-kang, Chang Yuan-pu and Wang Li-fong.

3. <u>The Fall of Kiangsu, Chekiang and Anhwei and the Establishment of the Capital at Nanking</u>: Ko Ching-en, Yi Tso-chen, Chiang Peh-chen, Chang Ting-fan, Chen Li-fu and Li Chung-kung.

4. <u>The Advance from the Yangtze River and the Progress of the National Expeditionary Forces</u>: Ko Ching-en, Chiang Peh-chen, Yi Tsao-chen, Tsao Ho-sen, Chu Shao-kwang and Wang Li-fong.

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CHINA

Subject: Miscellaneous Military Notes.

5. The Campaign Against the Communists: Chang Hua-pu, Wang Kun-lun, Chang Kuo-yuan, Chen Shao-kuan, Yu Yung-tang, and Chu Pei-teh.

6. The C ompletion of the Northern Expedition: Ko Ching-en, Yi Tso-chen, Tsao Ho-sen, Chu Shao-kwang, Yu Yung-tang, Sheng Shih-tsao, and Kung Hung-hsiao.

7. Military Rehabilitation: Ko Ching-en, Ho Kuo-kwang, Tsao Ho-sen and Pan Chi-piao.

8. Conclusion: Zau Li-tze.

Shanghai, Feb. 17. -- In a telegram dated yesterday to the Shanghai Special District Chamber of Commerce, General Li Chi-sen, Chief-of-Staff to the National Government, states that inasmuch as the country's food supply bears a direct effect upon the Government in time of war, the Shanghai Chamber of Commerce is, therefore, requested to assist the General Staff Headquarters in compiling a detailed report of the country's annual export of rice, wheat, flour, canned food and other foodstuffs for the use of the General Staff.

Mukden, Feb. 17. -- A military conference for the military rehabilitation of Liaoning (Fengtien), Kirin and Heilungkiang has been called for the 20th inst. at Shenyang by General Chang Hsueh-liang, Chairman of the Political Affairs Committee of the Northeastern Provinces. All officers above the rank of brigadier-general will attend the conference and participate in the deliberations.

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1 File

John Magruder
Major, General Staff
Military Attache

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
FEB 10 1932
WAR DEPARTMENT

4-1 2009-2202

Peiping, January 4, 1932

Subject: Observations on Manchurian Cavalry Organization and Training.

To: The Military Attache, American Legation, Peiping, China.

1. Some comments and observations on Manchurian cavalry organization and training, based on information obtained during my recent stay in Chinchow, are submitted herewith.

During the period of my visit to Chinchow as a "neutral observer" it was found possible in good weather to borrow ponies from the cavalry troop attached to the 19th Infantry Brigade for the purpose of securing physical exercise. When ponies were asked for they were sent to our Headquarters usually in charge of a captain of cavalry but always under a guard of four troopers who escorted us on our rides. In addition, a Captain Hsu of the staff of Marshal Chang Hsueh-liang, accompanied us doubly to insure the happy termination of our trips into the countryside.

Captain Hsu is a recently returned student from the French school at St. Cyr. On a pony his hands and seat gave evidence of considerable equitation. Other than that there was little to prove that St. Cyr had left any imprint on him in so far as his knowledge of horse lore was concerned. His care and consideration of horse flesh was conspicuous in its absence. His general knowledge of the military profession may have been quite good but his ability to utilize it was somewhat obscured by a mannerism which unfortunately is common to the majority of returned students with whom I have come in contact. This mannerism is one that is evidently engendered by conceit and accentuated by a foreign education. It is intended to impress the more lowly with the sublime unreachableness of the individual who possesses it. It might be called Prussianism if it were not so purely Chinese in its complete lack of a substantial foundation. This mannerism combined with the fact that Captain Hsu is a Southerner fostered suspicion and dislike in the Northern soldier rather than the respect that was desired.

Our guards from the 19th Brigade were truer examples of the better Chinese soldiery. The captain of cavalry was a well seasoned soldier of the intelligent coolie type, simple, straightforward and of excellent physique. The enlisted men were rugged but youthful peasants, cheerful and pleasant. The degree of their mentality, which normally should be of a low order, was sometimes surprising in its outcrop of sound sense and good judgment.

The ponies I rode and observed were in extremely poor condition. I believe that but for their naturally great hardiness it would be impossible for the Chinese to maintain even a so called cavalry arm. The type of pony was generally small, probably averaging less than thirteen hands. Shoes were an unknown blessing; the little beasts slipped and flinched barefooted over icy and frozen ground, willing enough in spite of their empty bellies.

My first ride made me wonder if the curriculum at St. Cyr included any course in the care of animals. Our ponies had stood for an hour in a cold wind well below freezing. Immediately on mounting Captain Hsu howled our cavalry captain out in front to lead the way, which he did with Hsu just in rear. We were obliged to maintain a gait somewhere between a fast trot and a gallop to keep up. The cavalryman glancing back over his shoulder rode as though the devil were after him , and I am not sure but that he was for Hsu kept this up for a good four miles over ice and rock strewn roads, uphill and down. We were finally confronted by a slope that made walking a necessity and our ponies were saved from further punishment.

During this ride I learned from our cavalry guide that Manchurian cavalry organization does not include the squadron. A regiment consists of 4 companies, each company about 180 men strong. In the company only 147 are regarded as mounted and of these less than 100 are effectives in a fight. Our conversation was limited in extent and other than the above was confined to generalities. He told me that mounted combat which was relied on considerably in fighting bandits consisted of a charge in line of foragers. During the charge the troopers fired their rifles from their hips over the heads of the ponies. Each trooper carried 200 rounds of ammunition slung in belts over their shoulders. He expressed some worry as to the vulnerability of cavalry in the face of airplane attacks. Their defense consisted in scattering about the countryside. Men were cautioned not to look upward at the attacking planes. The guide was somewhat surprised when I suggested that it would be difficult for a pilot to see a man or animal who stood motionless in a shadow.

On the road I saw a cavalry patrol at work. It was making a routine patrol for police purposes through the country districts bordering Chinchow. It consisted of a half platoon and moved along a narrow road in single file at a very fast trot. Many of the ponies were galloping. A single scout rode in front of it with distance of about 100 feet. The road was full of ice and slippery. Even though the ground adjacent to the road was soft plough and excellent footing the patrol did not utilize it. The troopers were armed only with an infantry rifle slung over the back, the one officer with a pistol. The unit was most haphazard in its road discipline.

On another day during our morning ride I stopped at the village where the cavalry troop attached to the 20th Infantry Brigade was billeted and called on the troop commander. I asked him what time of day he drilled so that I might be on hand to watch. Since his drill hour was twelve noon I decided to wait. He proved to be so cordial and agreeable that I had the temerity to ask him to turn out his troop as though it were suddenly alarmed by the presence of the enemy. He seemed quite willing and I asked him to blow assembly. It was then 11:35. Instead of blowing assembly he sent for his platoon commanders and told them to saddle up.

During this process I wandered about the village and was surprised to note the absence of confusion except on the part of the country people who were very much in the way. The troop commander who stayed with me said that his troop consisted of 175 men. He could mount only 90 effective rifles which were organized into 4 combat platoons. The 85 other men were all overhead. Each half platoon had a cook and a mafu (stableman). There was evidently an abundance of cart drivers, orderlies, supply staff members and general assistants. The troop was billeted by half platoons. Each half platoon had a room and an adjacent compound for men and ponies. The householders lived where they could. The billets were very dirty, the troopers making no effort toward cleanliness or neatness in their surroundings. Their equipment was scattered around in the most promiscuous manner. The ration consisted entirely of kaoliang, a Chinese grain, which was issued to each half platoon cook for the men of his unit.

The armament of the troop consisted of two automatic rifles of Czechoslovakian make, 6.5 mm, the same type I had seen in the 7th Brigade now at Nankow, and infantry rifles of an old model which I didn't recognize at a distance. They appeared to be in poor condition. All officers were armed with pistols. The rifles and automatic rifles were slung across the backs of the men. There appeared to be no normal field equipment carried by the troopers. I was told that all equipment possible was carted. The saddles were peculiarly constructed with a high pommel, practically no cantle and with no rings or devices for lashing on equipment. It was presumed that any equipment carried would be carried on the person of the trooper concerned.

At 11:47 a bugle blew assembly. The troop commander apologized for half of his troop that was absent on other duties. The men present formed in two dismounted lines in a narrow street and at 11:51 were ready to move. After mounting the troop passed by the right flank into a column of twos and out of the village. My animal was very herd bound which seems to be a favorite trait of the China cavalry pony. He backed up and down the street regardless of obstacles, greatly disrupting the troop column. In passing a child by the roadside he kicked at him and to the troop commander's disgust missed. Whereupon my host leaped from his pony and administered a hearty and brutal kick which sent the child off howling. Having personally made up for the deficiency shown by my pony he climbed back on his own mount with the righteous air of a man having done his duty well.

The troop, now of about 40 men, evidently had not yet been formed for as it arrived on the drill field outside the village it did twos left to form line. The corporals fell out and formed as a squad on the right facing down the line. The troop was then reformed into a column of half platoons which were in line. The four half platoons then progressively counted off and the corporals joined two to each rank. The troop broke into a column of fours and moved about the field at a walk and trot for my benefit. The ponies were generally very herd bound but the formation and maneuver of the troop in column was surprisingly smooth. So little variety was given in the drill, however, that I asked if the troop commander would be willing to work out a problem. He was again agreeable.

In explanation of the terrain features, a road passed east and west through the village which was only a 200 yard rectangular space full of mud compounds and houses. Just west of the village a small dry stream bed went north and south. The stream bed was quite deep and lined with trees. About 300 yards east of the village the ground went up abruptly into a north and south ridge which was very prominent and 150 ft. high. Between the ridge and the stream bed was generally flat terrain with a few slight hollows which could be used for cover.

I gave the problem. The troop was the leading element of the advance guard of an infantry brigade which was marching east on the road through the village. As the advance point of the cavalry unit came through the village into the open it was to be met with the fire of a machine gun coming from a small group of buildings between the ridge and the stream bed 700 yards to the north. The action of the troop was desired.

Right here our Captain Hsu became very much worried. Mr. Moss, a British Consul who was with me, explained the problem to him in French after I had given it to the troop commander in Chinese. Captain Hsu went over it with the troop commander again and then again in his Chekiang accented Chinese which all northern people dislike. The nervousness, excitement and arrogance of Hsu had its visible unfavorable reaction on the troop officers. However, in spite of the verbosity that was flying back and forth the problem was understood, as it was repeated back very clearly by the platoon commanders.

During the discussion my horse holder and orderly, a 2nd class private from the troop of the 19th Infantry Brigade, tried to speak up and explain it as he saw it. He received no rebuke but ultimately quieted down because no one would listen to him.

The commanding officer stayed with us turning the problem over to his juniors. The troop of two platoons trotted gayly off to the eastern exit of the village where it formed a column of half platoons in the face of a withering machine gun fire, dismounted to fight on foot, action front, forming in two waves of skirmishers standing, both automatics were in the first wave.

The led horses were taken to cover in the village. The skirmish lines moved forward at a walk for about 100 yards with excellent intervals and alignments when they all went into a prone position to take up the fire fight. The lines advanced slowly from there with about half squad rushes. No use was made of cover but it was an excellent drill.

Captain Hsu waxed warm and shouted at the world in general that everyone was killed. The troop commander apologetically agreed and said that in the first place his close order drill was bad because he himself had been trained as a field artillery officer and that his troop had just completed a bandit fighting campaign where there was no opportunity for drill. In the second place and in regard to the problem he was very sorry but his lieutenants just wouldn't do as he had told them to do. If he had been handling the problem he would have attacked mounted across the open field. Captain Hsu went of into a paroxysm of rage, riding up and down the skirmish lines giving all the juniors a very unpleasant few moments. They took it like soldiers too, standing rigidly at attention with expressionless faces. The commander, having apologized, lost all interest and changed the subject by asking questions as to the possible intentions of the Japanese.

During a quiet interval my orderly spoke up again and said that everyone was wrong and that he knew what should have been done. Out of curiosity I asked him what he would have done under the circumstances. In substance he said, "I would be careful to get into the cover afforded by the village when I was fired on. I would put my automatic rifles into immediate action from the northern edge of the village. I would send part of the troop up the creek bed to attack the enemy right flank dismounted. I would send a strong patrol to the high ground to the east to observe and fire on the enemy left flank. The remainder of the troop I would hold in the village as a reserve to await the development of the fight". A most surprising young man to whom I gave 100%. He also had been fighting bandits in Heilungchiang and knew his minor tactics from personal and probably bitter experience.

Captain Hsu, to our mortification, was still working on the troop officers. It was only after some effort that we were able to get his teeth out of their unresisting necks. We finally dragged him away muttering.

My principal reactions to the Manchurian cavalry observed at Chinchow are a great admiration for the toughness of the Mongolian pony and a sympathy for a branch struggling to be a branch under the inefficiency of an officer personnel which is so completely inadequate in its interest, ability and training. The commanding officer of the troop observed was evidently a mere figure head who probably made an excellent living from the materials and money which passed through his hands. His position was to him of major importance, his troop a minor issue, the handling of which he turned over to his subordinates. It is to be feared that he is a good example of the majority of unit commanders in China.

The junior officers and men of the troop were excellent material for any army. The officers were young, intelligent, and capable; the men of all ages, were of good physique and gave evidence of a certain amount of discipline. Discipline where it was applied was good; its lack in the internal administration of the troop was due probably to the ignorance of the officers in knowing where to use it.

The Japanese themselves admit that the Chinese soldier is not afraid to die. His ineffectual use in battle is due to an incapable officer personnel which still clings to the corrupt practices of old Chinese officialdom.

Willard G. Wyman
First Lieutenant, Cavalry

File

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.

G-2
MAR 2009-321 1932

WAR DEPARTMENT

March 7, 1932.

MEMORANDUM FOR THE CHIEF OF STAFF:

Subject: Study on Chinese Army.

1. In compliance with memorandum of the Deputy Chief of Staff dated March 1, 1932, there is attached herewith a study on the Chinese Army.

2. It was originally intended to submit a brief resume of facts concerning the existence and size of the Chinese Army, and the influence of foreign instructors on its development. However, the growth of the Chinese Army within the last 30 years has been so remarkable and indications of its future development and employment bear such a vital interest to the Far Eastern question, that an extensive study covering the composition, history, training and recent operations of the Chinese Army has been prepared.

3. Various sections of this study are suitable for independent use in answering specific criticism of the Chinese Army. In the conclusions attached to the study may be found a brief resume of the present day army and an indication of the Chinese Army of the future.

ALFRED T. SMITH,
Colonel, General Staff,
A. C. of S., G-2.

mh

Enc.

To Sec. G.S. MAR 8 1932

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
2009-221
2
WAR DEPARTMENT

March 7, 1932.

MEMORANDUM FOR THE CHIEF OF STAFF:

Subject: The Chinese Army.

I. The study requested.

May China an army, what is its composition, and what is its part in the development of the nation?

II. Facts bearing upon the study.

1. [illegible] of the Chinese Army.

(a) Composition and Strength.

The Chinese Army consists in round numbers of 2,300,000 men comprising 102 divisions and 79 brigades.

The great majority of Chinese forces are infantry and armed with rifle and pistol. There are relatively very few artillery and cavalry units. The composition might be noted approximately as follows: 102 infantry units, 19 artillery, 20 cavalry.

(b) Distribution and Command.

The army is not, in a western sense, a national army, but is generally grouped under several factional leaders of importance. While it is referred to as the army of the Central Government, to-day the army is subdivided into Peiping, Nanking and Canton forces with each group decentralized to varying degrees under regional and other commanders.

The Peiping forces are grouped under Chang Hsueh-liang (Chang Hsueh-liang) and are largely composed of former Manchurian troops. These forces include troops that formerly occupied Manchuria and certain north China military units absorbed in 1930-31. These consist of 45 divisions, 21 brigades and total 514,000 men. There are still remaining in Manchuria semi-independent forces of 4 divisions, 14 brigades and total 100,000.

The Nanking forces are composed, first, of those personal troops of Chiang Kai-shek, the outstanding military leader of modern China; second, of those units considered loyal to Chiang Kai-shek and decentralized under provincial and regional control; and, third, of a large number of miscellaneous so-called Central Government troops in various provinces of central and south China. Chiang Kai-shek's personal troops number 20 divisions, and 7 artillery brigades, totaling 254,000 men. Other troops of which many are loyal to Chiang Kai-shek: 103 divisions, 26 brigades, totaling 1,281,000 men. Total of Nanking groupment: 123 divisions, 33 brigades, 1,535,000 men.

The Canton faction, while not at the present time at cuts with Nanking, nevertheless is lukewarm in support and the forces under its control are separately grouped into 9 divisions, 11 brigades, totaling 151,000 men.

(c) Equipment.

The Chinese Army has amassed varying kinds of equipment, some of it very modern. There are about 2,500,000 rifles of many types, and some 2,000 field guns of different calibre. There is a large number of modern machine guns, most of which are found in the Nanking armies. The Chinese have developed, and have equipped their troops with, a special type of trench mortar which serves as infantry howitzer. There is also a number of 37-mm. guns with Chinese infantry units, a number of small tanks and antiaircraft guns. The Chinese are deficient in artillery as compared to infantry strength. They have, however, brought to a high state of development armored trains equipped with 75-mm. and 4" guns. Most of the armament has been purchased abroad, although in recent years the arsenal in Mukden, prior to its occupation by the Japanese in September, 1931, was able to supply the requirements of the Manchurian Army in artillery and ammunition, and to more than supply needs in trench mortars. Other arsenals in China supply only a limited amount of artillery and artillery ammunition, but are able to fill the normal needs for small arms ammunition. In the case of machine gun ammunition, powder is usually purchased abroad and the ammunition made up in China. Chinese resources and the state of industrial development will not assure the necessary supply of arms and equipment for a prolonged struggle with a foreign power, China can supply minor needs for the army's development, but must go abroad for automatic weapons, antiaircraft guns, modern artillery, tanks and aircraft.

In the matter of aircraft, China has some 100 serviceable fighting planes divided into five squadrons, generally located near the centers of principal military control. Another 100 planes, mostly training and observation type, are located in various provinces. These planes and equipment were purchased abroad.

2. History.

(a) Closing Years of the Monarchy.

For over 1,500 years the Chinese have been an ultra-pacifist nation. So much so that the soldier sank to a very low social level and the ideal of national and self-defense was relegated to a very unimportant position. During these years, however, China fought many wars, principally with continental neighbors and domestic enemies. There developed during the 17th and 18th centuries a scheme of military tactics which provided for large masses of men as a threat against the enemy, and a system of military ethics which required the party with the smallest number of men, and those less effectively disposed, to withdraw after making and receiving a show of force. The theory of maneuver was highly appreciated and the enemy was considered to have suffered a greater defeat by being forced to withdraw than if he had been decisively overcome.

China received her first taste of semi-modern military force in the middle of the 19th Century from aggression of Western nations. In no instance was she able to make even a decent defense of her territory, and from this series of defeats came the realization of the necessity for building up a modern army.

At the time of the Sino-Japanese War of 1894-95 China had begun to build an army based on modern methods of drill and

armed with more modern weapons. The old Chinese military export, however, had not been sufficiently offset, and there resulted an almost ludicrous debacle of masses of Chinese soldiery in the presence of the Japanese armies that were showing modern military science so successfully.

The first steps toward standardization and modernization of the Chinese Army and the centralization of military power were taken by Yuan Shih-kai, following the defeat of China by Japan. From that time to the end of the Manchu dynasty and the fall of the monarchy in 1911 the work of modernizing Chinese man power and equipment went steadily forward. The revolution which overthrew the monarchy broke down the machinery set up by Yuan Shih-kai; it introduced widely independent elements, established the system of promiscuous enlistment and set up the precedent of individual action on the part of subordinate military commanders, which has in late years been so persistent. In 1895 the nucleus of a modern army was quartered near Tientsin and numbered about 8,000 men. It was composed of infantry, cavalry, artillery and engineers and the instruction was under the supervision of German officers; the equipment was purchased abroad. In 1899 Yuan Shih-kai took this army, now numbering some 30,000, to Shantung when he was made Governor of that province. It was largely kept from the conflict with the foreign powers during the Boxer troubles of 1900 by independent action of Yuan Shih-kai. The clash with the foreign armies at that time demonstrated even more clearly than the Sino-Japanese War of 1895 the inefficiency of the old style troops, and a new and added interest resulted in the creation of a modern army. The history of the army from 1901 to 1911 was one of steady progress. Foreign experts employed in military schools, and attached to every army of the service and to the training corps, testify to the high quality of training, drill and discipline which were unsurpassed in any army in the world, with the possible exception of some special troops in European armies, and agree that the Chinese soldier, when properly trained, equipped, paid and led, is splendid military material.

(b) Beginning of the Republic.

Yuan Shih-kai was called to supreme command of the army after the revolution broke out in 1911. Following the fall of the Manchu dynasty, Yuan in 1914 and 1915 attempted to make himself Emperor of China. From his failure, the disintegration of the first modern army that China developed may be said to have begun. The history of the army from the 1911 revolution to the rise of the Nationalists in 1926 is one of abnormal increase in size and an almost complete disintegration of command and leadership. Throughout these years and since there have been frequent revolutions, inter-provincial strife, regional wars between ambitious military leaders, sectional political strife attended by civil war embodying the movement of hundreds of thousands of men in campaigns covering hundreds of miles. From a position of relative unimportance in the social and political life of the Chinese people the military man has become the predominant factor in Chinese national life. The Chinese Army may, in fact, be said to have been "practicing" during the past few years. In 1926, a leading American military authority observed that the Chinese Army has "made greater advances relatively than any other army in the world. Compared with the armies engaged in the World War on the western front it is poorly armed and trained, but that fact is of minor importance compared with the rate of progress it is

making and its possibilities in the future."

(c) Nationalist Army.

The most fervent supporters of the revolution of 1911 were from the south. These patriots, generally under the leadership of Dr. Sun Yat-sen, were bitterly disappointed throughout the years of internal strife following the birth of the Republic. From their position in Canton, these revolutionists laid their plans for the building up of a new army to overcome the feudal militarists of north China, who were defying national unity while engaged in selfish military pursuits. Dr. Sun turned toward the United States, Great Britain and Germany for assistance. None of these nations were prepared to support the new army. Dr. Sun next appealed to Russia, and through the influence of M. Joffe and M. Chemitov the Russian Soviet Government sent Michael Borodin to Canton in September, 1923, as adviser to the Kuomintang, or Nationalist Party. Upon his estimates and recommendation, a great corps of Russian advisers and instructors in military and political matters were imported into Canton. They became the basis upon which the new revolutionary or nationalist army was founded.

The Whampoa Military Academy, with its corps of selected students from various provinces in China, largely from Chekiang and Kwangtung, became the heart and soul of the new army. Chiang Kai-shek, who had gained his military education in Japan and Russia, became head of the academy in 1923. The new army was recruited from elements loyal to the Canton revolutionary idea and, officered largely by the older leaders under Russian guidance and by the younger men from the military school, built itself, through constant drill and with experience gained in repeated factional strife within the Canton area, into a workable machine. In July 1926 under Chinese and Russian leadership the new army set forth from the south on its now memorable advance to the Yangtse Valley and the conquest of north China.

This army had behind it two things that no other Chinese army in the preceding 50 years had had: first, the spiritual urge of revolutionary fervor and, second, the strategical and tactical leadership of most capable foreign officers. The army met with success in the Yangtse Valley; it incorporated into itself units of defeated forces and was further enlarged by the addition of the forces of certain northern military leaders, so that by the summer of 1928 it was a huge military machine.

The Nationalist Army has been subjected to internal dissension and has had to defend its existence on several occasions, but it is the core of the Chinese military forces of to-day and is composed of those units from which the development of the modern Chinese Army will continue.

3. Training.

(a) General.

In beginning the development of a modern military force China called upon foreign instructors to organize a model force and to supervise the tactical training thereof. German officers were employed in 1895 and continued with the model army under Yuan Shih-kai until 1900. In the Boxer trouble both Japanese and German officers were employed in various capacities and the German assistance was also

engaged for the various schools, noticeably at Paotingfu and at Peking. From that day to the present foreign instructors, principally, Russians, Germans and Japanese, have been employed in various capacities and in varying numbers with different sections of the Chinese Army.

The Chinese for the last quarter of a century have been sending their officers to Japanese military schools, both for primary and advanced education. Just after the Russo-Japanese War there were over 800 Chinese officers studying in Japan. That number was not constantly maintained, but a varying number of graduates generally averaging about 80 was made available to the Chinese Armies on an average of every other year until the World War. There was a period of several years of strained Sino-Japanese relations during which there were very few students. Since 1924 the number has increased. There were 54 graduated in 1926, 70 in 1928, 90 in 1928, and 85 in 1930. One hundred Chinese officers entered Japanese military schools in 1929 for an average course of two and one-half years. All of these students take entrance examinations and the number of applicants has reached as high as 500. The average acceptance is usually about 20 per cent of those applying. It is estimated that about 1,000 Chinese officers have had training in Japanese schools in the last 20 years. This large attendance is not based on any love for Japan, but because of convenient location of these schools and because the Chinese can more readily accommodate themselves to the life and customs of the Japanese than they can to the ways of Western people. This large corps of students also emphasizes the rising importance of the military profession in China.

Practically all officers who have reached a position of importance in the Chinese Army in the last quarter of century have received their military education in Japan. A negligible number have been educated in Germany, England, France, United States and Russia. These have contributed to the building up of the Chinese Army, but the outstanding leaders have come from among those trained in Japan.

(b) Manchurian Armies.

The Manchurian armies have for many years been advised and instructed by Japanese officers. In the several civil wars in which these troops have participated south of the Great Wall Japanese tactics and leadership have been in evidence. It has been particularly observed that the improvement of Manchurian artillery over that in other Chinese Armies has been due to Japanese instruction.

Manchuria has also employed other foreign experts for instruction in arsenals and for the development of special weapons.

(c) North China prior to 1928.

The training in the Chinese Armies in China proper has developed from the early attempts of Yuan Shih-kai with the assistance of German instructors. The Paotingfu Military Academy at one time produced a very high type officer. Advisers from various foreign armies were generally employed by individual military commanders of importance to supervise instruction of their armies. Foreigners have also been employed in the arsenals. While the armies south of the Wall did not carry on any extensive training under foreign supervision, training under student officers was continuous; and if to that instruction is addd the practical experience of frequent maneuvers, marching, forming for battle, attacking and retreating and, at times, engaging in even very

Nevertheless, there will be observed some of the reasons for the improvement in the Chinese Army.

Notably among these Chinese armies was the Kuominchun or People's Army under Feng Yu-hsiang, formerly known as the "Christian General." This army at one time was possessed of a crusading spirit under which it reached a high standard of discipline, appearance and marching ability. It engaged in many bitter campaigns and learned to suffer severe casualties without breaking. This army has played an important part in the development of the Chinese Army as a whole. While now scattered and its units absorbed in various Central Government armies, its basic training and discipline continue to be an important influence in Chinese military development.

(d) Nationalist Army.

This army, which is in fact the parent organization of the best units in Chinese Army to-day, was basically trained by Russian officers. The heart of the training was Whampoa Military Academy, which was established in 1923 by Dr. Sun Yat-sen. Russian instructors came to the academy in 1924-25 and Chiang Kai-shek, schooled in Japan and with Russian military training in 1924, was made president of the school in 1925.

As the army developed, young graduates and undergraduates of the Military Academy were assigned. Each army corps had a Russian military staff and each division a Russian officer as adviser. This group of Russians was fired by communism. The Russian-trained Chinese while inspired by communism was responding to a tremendous spiritual and patriotic urge.

Under the capable leadership of Chiang Kai-shek and his principal Russian military adviser, General Galens (the same General Blucher now commanding Russian Soviet Far Eastern army between Chita and Vladivostok); the training of the Nationalist Army proceeded rapidly and well.

Thus trained and led, this army fought its way after extreme hardships and long marches over most difficult and, at times, unchartered terrain from Canton to Hankow and Nanking in 1926, and in 1927 consolidated itself in the Yangtse Valley. In every encounter with the feudal armies of north China, the superiority of the Nationalist Army was demonstrated, especially in scheme of maneuver, ability to drive through an attack, in march and battlefield discipline. While the revolutionary spirit undoubtedly accounts for part of this army's success, the greater part of its victory was due to careful training under foreign officers of recognized ability and to the leadership and command actually undertaken by these officers. This army's accomplishments in 1926-28 rank with those of some of the world's famous armies; and the basic worth of Chinese as soldiers was demonstrated as of high value when carefully and patiently trained and led by competent officers.

In the latter part of 1927, the so-called Right elements led by Chiang Kai-shek forced out the Russian advisers and instructors. And while dissension came near wrecking it, the higher class and foreign-trained officers kept control and furnished the leadership for the army's advance to Peking in 1928.

Toward the end of 1928, Chiang Kai-shek secured the services of a group of German ex-officers as instructors in the Nanking Military Academy and for the special training of three model divisions. These Germans, numbering on an average 46, were specialists in infantry, artillery and engineering. In addition to large numbers of cadets coming under their influence at Nanking, hundreds of officers passed through the model divisions for short periods of intensive training under the Germans. These divisions and many of the officers were put to severe test in 1929 and made good reputations. The corps of German instructors is still maintained though with many changes over a period of 3 years.

In 1930, several Japanese engineer officers were especially loaned by Japan as instructors in the Nanking Military Academy and to help organize pioneer units for Nanking armies.

The training of the Nationalist forces has very definitely come under capable and continuous foreign military leadership. The military school system was extended from Canton to Nanking and thence to Hankow; a high degree of discipline and study is maintained in these schools. These are the principal agencies making for higher standards in the Chinese armies to-day.

(c) Present Situation.

The Japanese instructors in all armies outside of Manchuria were recalled by Japan shortly after September, 1931, due to the Sino-Japanese clash in Manchuria.

There have been no Russian advisers since 1928.

The Germans, about 42, remain in Nanking employment. While their activities have recently been somewhat restricted -- most of the Germans have been given leave lately -- due to Chiang Kai-shek's political uncertainty, there is evidence of an extension of the contract, now renewable every two years, to include a four-year agreement with the express mission of instructing Chinese forces in World War and post-war methods of defense against an enemy greatly superior in modern material and machines of war.

Other Germans are reported to be seeking employment with the Manchurian army in north China. Foreign specialists are or have been, employed in practically every Chinese arsenal.

There is a vast amount of basic training of real worth throughout Chinese armies, especially in the Nanking forces, and all of that training which is modern is directly traceable to various military missions, instructors or advisers, that have worked with the Chinese over a period of many years. This training has shown up to advantage in many recent situations, both in domestic strife and against the Japanese at Shanghai.

4. Operations in recent years to include 1930.

As the Chinese Army has been designed principally to meet the internal situation, it is quite to be expected that such huge numbers of soldiers, grouped into formidable armies, will frequently be at war.

The Nationalist Army was built up for the special purpose of carrying the revolution to completion and bringing the country under the political tutelage of Kuomintang or Nationalist Party. Following the aforementioned brilliant success, in many very difficult campaigns, resulting in the consolidation of the new regime in the Yangtze

Tsinan, the army, greatly enlarged but at same time weakened by accession to its ranks of many units inimical to the revolutionary cause, set out in April, 1928, on the final stage of the march to the old capital at Peking.

It easily brushed aside Chinese armies of little training and controlled by minor war lords of no national responsibility. On the main route of advance it met a Japanese force at Tsinanfu, Shantung Province, ostensibly there to protect Japanese nationals and interests. A similar Japanese expedition had stopped the Nationalist advance at the Tientsin-Tsinan Railway in the late summer of 1927, but without a conflict. On the second occasion, however, a clash resulted when the Chinese attacked the Japanese strongholds in fury and yet with careful preparation. Japanese fire superiority wrought heavy casualties among the Chinese who tried on two occasions in early and late May, 1928, to dislodge the Japanese from the security of a strongly fortified section of the walled city. In the end, the Chinese were delayed in their march to Peking for five weeks by the stubbornness of the Japanese and the fierce determination of the Chinese to take Tsinanfu. But the latter learned more valuable lessons in defense and attack by going up against the Japanese than from all of their other 1928 experiences combined.

The armies of north China and Manchuria, the logical outcome of Yuan Shih-kai's efforts during 1909-1915, have been generally styled the armies of the war lords. Whatever the designation, these forces have engaged in struggles of varying extent almost every year since 1919. A major campaign between Manchurian forces and those within the Great Wall was fought in 1922 and again in 1924. In both wars, hundreds of thousands of men were concentrated, supplied, maneuvered and fought in battle. In one, a massing of accurate artillery fire made a breach in the Great Wall above Shanhaikuan and provided a route of advance against the defenders' flank. In another, there was a successful river crossing on pontoon bridge under fire from the enemy. Again, there were a forced march of 60 miles in 40 hours by two divisions of 24,000 men, ending in early morning darkness, to take over the enemy's strategic base; decidedly clever tactical maneuvers especially in wide envelopments under cover of darkness; a pursuit of the enemy by direct pressure and an encircling force of cavalry which got well in advance of the retreating force and practically destroyed it; and instances of prolonged defense of walled cities under great privation while walls were everywhere being leveled by artillery bombardment and engineers' explosives. There is the admirable example of a Chinese commander at Tientsin in 1924 holding up forces much superior in numbers for two weeks by careful distribution of this troops and moving them here and there to meet a fresh danger. This commander exercised personal command of his troops on the battlefield; he extricated his forces from three fronts at once, reformed a unit that broke before the enemy's attack and turned it into an effective rear guard where it fought delaying actions and covered the safe withdrawal of the main body. This splendid leadership was demonstrated in the face of attack by the highest trained and centralized Chinese Army of that day, the 1st Kuominchun of Feng Yu-hsiang, formerly called the "Christian General."

In 1930, the Nationalist Army had its most severe test. Nanking's northern adherents of 1928, Yen Hsi-shan and Feng Yu-hsiang,

took the field against Chiang Kai-shek. Feng's army was the actual and spiritual leader of the revolt. Chiang's plan was to crush Feng first. Several months of bitter strife were waged along the east-west railway of central China, where the terrain at times permitted bold maneuvers and at other times confined the theatre of operations to the vicinity of the railway. There was cavalry action of no mean attempt and execution; tanks and artillery from armored trains were employed; trench warfare resulted in two detached localities; aviation was employed against troops and material objects, such as rail junctions and bridges, with some success. It was in this campaign that Feng, whose troops had had Russian training in 1922-24, was opposed by Chiang's German-trained divisions. The tide of success was moving toward Chiang when the entrance into the Peiping-Tientsin area of Chiang Hsueh-liang with his Manchurian army in September, 1929, caused the collapse of Yen Hsi-shan and the withdrawal of Feng's forces. The heaviest casualties of Chinese civil war occurred in this campaign -- something like 10,000 killed with a total force of about 750,000 engaged.

In these various campaigns, the Chinese have improved in every field of activity, with the least progress in staff direction and command. Even in the 1930 operations, something of same old Chinese lethargy and philosophy at headquarters were noted. But true appreciation of Chinese fighting ability does not rest on the quality of staff work. The Chinese respond best to the personal leadership that commits them to battle. Liaison develops where necessary and in surprising ways. China's foreign advisers have wide opportunity in Chinese lack of staff knowledge and vast improvement will be immediately observable in the conduct of a campaign when staff and command are improved even in a relatively small degree.

3. Operations in 1931-32.

The most recent operations of the Chinese Army have been their clash with Japanese military forces. These operations furnish opportunity to examine the efficiency of the Chinese Army in its first extensive combat with foreign troops since 1900.

(a) In Manchuria.

The larger part of the Chinese Manchurian (Mukden) army, including the better trained troops, had moved into north China in 1928. The Japanese military campaign in Manchuria began in September, 1931, and the first important stand against the Japanese was made north of the Nonni River by a relatively small Chinese force in November. Such delay as was suffered by the Japanese was due largely to military interruption of rail communications and to severe winter weather. No serious damage was inflicted on the Japanese by any Chinese organized forces. In the Chinchow area, the sole Chinese show of force was rear guard action with armored trains; otherwise the Chinese withdrew as the Japanese threat came closer. Following the Chinchow operation there were attacks on isolated Japanese groups by bandit forces, but stern punitive measures rapidly reduced the danger from that source. In a recent move against rebel Chinese troops before Harbin, Japanese were forced to employ relatively large number of troops (one division) before the Chinese were dispersed. The latter had had the benefit of Russian instruction when guarding the Chinese Eastern Railway and

displayed both courage and some tactical ability. Bandit forces displayed the usual Chinese foreclosures in face of inferior numbers. There were strong indications that a regular cavalry unit of Manchu army forces had joined the bandits and exhibited considerable skill in secret movement and rapidity of attack. Other regular Manchu forces, although having had a limited amount of Japanese training, recognized their inability to cope with the Japanese army and mostly withdrew in obedience to Mukden orders from their commander -- relatively safe in Peiping.

Favorable observations on the Chinese troops in recent Manchurian operations are few. The regular army accomplished little except the provincial and hastily augmented civilian forces did less; and the bandits were bold largely because of hunger urge. But anything favorable concerning the Chinese is far overshadowed by the excellent organization, evidence of careful planning and rapid execution of plans by the highly efficient Japanese Army. It is observed that the Japanese are especially well trained for open warfare, sound maneuvering, rapidity of action and possess a high degree of mobility in suitable country. These characteristics gave marked driving power to the small Japanese force (about 3 divisions) that has had the mission of moving here and there, in detachments of brigades and less, in solution of the Manchurian military problem. It is to be noted that the Japanese operations in Manchuria were not without some Chinese military opposition, but the Japanese plans appear to have been carefully laid from the beginning and their execution followed a generally undelayed schedule.

(b) In Shanghai Area.

The Chinese Army has had its most severe test when recently facing Japanese Army forces at Shanghai.

Japanese naval troops were sent into Chapei against the Chinese 19th Route Army in a night attack, January 28. These Japanese troops were not well trained for close fighting on land and, finding themselves outnumbered, retired, in the face of stiff and surprising Chinese resistance, to the original area occupied before the attack. Several days of severe fighting occurred in Chapei-Hongkew Park districts, adjacent to and north of International Settlement, with Japanese making no gains and Chinese resistance improving. Japanese land attacks were accompanied by aerial bombardment of increasing severity. Japanese naval troops initially numbered about 1,700, and were increased rapidly to some 3,700 ashore. These were, from the first, faced by 5,000 Chinese of the 78th Division in Chapei who were replaced by about 10,000 of the 61st Division about February 4th.

The Chinese early established themselves in strong points and converted the ruins of Chapei into centers of resistance of sound engineering design and permanence. The Chinese also set about converting the vicinity of Woosung forts and Woosung Village into strong defensive areas. The Chinese troops occupying these areas numbered roughly 30,000 composed of the 60th, 61st and 78th Divisions comprising the 19th Route Army.

A Japanese brigade landed above Woosung on February 7 and established itself south of Woosung Creek. Aided by the creek, the Chinese blocked Japanese attempts to reduce Woosung positions which had to suffer almost continuous naval and aerial bombardment. The Chinese maintained their situation there until March 3.

A reinforced Japanese division landed at Shanghai on February 12-15; was placed in position in and north of the eastern portion

of the International Settlement; and made a coordinated attack against the newly occupied Chinese center at Kiangwan on February 20th. Despite transfer of the 88th Brigade from Woosung and utilizing all reserves, the Japanese troops were held up at Kiangwan for seven days and their attempt to envelop the Chinese left to the northwest of Kiangwan secured only limited success.

The Chinese troops had converted Kiangwan into a highly organized center of resistance and covered the country to the west and northwest with entrenchments and heavily armed machine gun nests. The Chinese in Chapei improved their positions, stiffened their resistance and initiated counterattacks at critical points with some success. Reinforcements were added in the 87th and 88th Divisions, about 15,000 men, making a maximum total of about 45,000 Chinese troops actively engaged.

The Japanese offensive designed to drive the Chinese from Chapei spent itself near the end of February. Reinforcements of one division landed north of the battle area on March 1. With other reinforcements near the center of the line, the Japanese offensive was resumed on March 1, when the combination of pressure in front and threat against an extended and unprotected flank forced the Chinese withdrawal to points some 20 miles west of Shanghai on March 2 and 3. Woosung was isolated and after severe bombardment a landing party of 1,000 Japanese occupied the area. Total Japanese forces ashore at the time of the Chinese retreat were estimated at 30,000 of whom 25,000 were in or near the final attack.

Japanese losses are estimated at 3,500, killed and wounded; Chinese at 12,000.

While hostilities have generally ceased, the situation is by no means liquidated. Heavy reinforcements back up Chinese troops that retired from Shanghai and a total of 50,000 Japanese forces are expected within the area when all units reported en route have landed.

There can be no question but that the Chinese troops demonstrated at Shanghai their efficiency on the defensive. There was proof that the Chinese troops could take long and bitter punishment without breaking, but there was little evidence of Chinese capacity for the offensive.

The proper appraisal of combat efficiency of these Chinese troops is founded on a number of consideration, viz., Chinese armament, training and other influences, the Japanese forces and conditions affecting their employment.

The Chinese had large numbers of machine guns well set up in "nests" and in camouflaged graves; they had numbers of trench mortars and were well equipped with rifles. Ammunition for these weapons was ample. They had very little artillery and used it only on the Chapei-Hongkew front. Their armored trains were unsuited to the situation and were restricted by interruption of the railway. They had no air support.

In the 19th Route Army, the 60th and 61st Divisions were part of the original Nationalist Army organized in Canton in 1925-26 and achieved great success as they fought their way to Nanking in 1926-27. Composed as they were of Cantonese soldiers and Whampoa cadet officers, these units had reached a remarkable state of efficiency in 1931 when they were sent by Chiang Kai-shek to Kiangsi against Red-bandit forces. In July, 1931, the 78th Division made up from other Cantonese units and miscellaneous soldiers, was added to the army. Later, the army with its

These divisions was designated as the garrison force for the Shanghai-Nanking area. Aside from its political employment, which is almost impossible to assess in Chinese military-political ethics, the army was well trained and disciplined and highly suitable for the new duty assigned. Its cohesiveness and discipline are directly traceable to the early influence of Russian military instructors; its will to fight, to a high degree of patriotic duty and enthusiasm extending back to the days of revolutionary spirit.

Staff work was ably demonstrated. Troops were relieved and others put in without serious mistakes; defense was coordinated; communication was organized and reinforcements were applied with logic and sound purpose. The influence of German instructors was also clearly observed and at least one German was known to be with these troops. The principal reinforcements were the 87th and 88th Divisions, both including many officers and men who had come from Chiang Kai-shek's old training divisions which had had the benefit of long periods of specialized training by German ex-officers. In the application of automatic weapons to the defense, in all-around defense of villages and especially in the Woosung area, is seen undeniably the influence of German advisers.

These Chinese forces were not hurriedly collected citizens, armed overnight, fitted into "National Guard" units, and rushed to defense of Shanghai. This army was a part of China's best regular forces, of well recognized history and accomplishment. It suffered astonishingly heavy casualties and held its ground in the face of powerful and persistent Japanese attacks, largely because it was a trained army, brought to a state of efficiency through foreign influences and equipment, long years of preparation, drill and fighting.

The success of these Chinese regular army forces is somewhat lessened, however, when one considers the factors operating to reduce Japanese efficiency.

The Japanese mistake of sending inadequate naval troops against Chinese trained forces in Chapei, which resulted in defeat for the Japanese and the raising of Chinese morale, was obviously based on a poor estimate of situation. The Japanese Army forces came better prepared to meet the situation and with characteristic thoroughness launched the attack of February 20. The Japanese are trained in maneuver and rapidity of action; they are not well trained in position warfare having had little World War experience therein. The Japanese action at Shanghai was not generally popular in Japan, therefore the army planned a swift campaign with few casualties. These considerations called for severe aerial and artillery bombardment and infantry advance only with such maximum protection. The Japanese Army found its maneuver area restricted and troops mired in roadless terrain cut with frequent ditches and unfordable creeks; it found that the Chinese could not be blown out of well-prepared positions; and unwilling to sacrifice its men (reserves initially very few) the Japanese attack was simply pinned to the ground.

These qualities bringing immediate success in Manchuria were not applicable at Shanghai. In such a Japanese dilemma, increased by a lack of sufficient troops to provide the maneuvering force which on March 1 was the deciding factor in forcing Chinese withdrawal, there naturally resulted an increase in Chinese basic efficiency.

Chinese conduct of general defense, however, was recognized as of very high type, particularly in Tientsin area and in Hungkiang. While Chinese withdrawal from action was early evident to Japanese observers, the withdrawal was initiated in the face of determined Japanese attack and, although hurried, was completed without loss of units or demoralization. The final test of combat worthiness is found in the admirable morale of these Chinese forces in spite of severe losses, -- over 33 per cent. Lacking artillery and air support, the Chinese had no defense against Japanese artillery and aerial bombardment -- frequent and heavy -- when they emerged from their organized defenses to meet Japanese infantry attacks. Chinese counterattacks were especially costly in life due also to lack of supporting artillery. Huge losses were therefore suffered and Chinese ability to continue resistance testifies to the high character of the units involved.

Hatred for Japan long harbored by the Nationalist soldier undoubtedly furnished a strong stimulus to resist the Japanese and seek revenge. Political considerations also influenced the Chinese defense. The 19th Army, while Cantonese, has supported Chiang Kai-shek throughout his career, and plainly showed Nanking leanings when it refused to side with Canton secessionists in April, 1931. The return to Nanking of Cantonese politicians, followed by their departure, had left the 19th Army almost friendless. And recently Chiang Kai-shek, for reasons best known to himself, did not actively support the 19th Army in defense of Shanghai. This army's knowledge that it was fighting for its political future on this critical occasion was another urge to resist the invader. It has found its greatest reward in popular acclaim throughout the nation, which gives an assurance that the army will long live.

These political situations, which unfortunately appear even at times of national emergency, are the principal obstruction to the formation of a unified national army. There is seen, however, in repeated exhibitions of such self-sacrifice in the national cause the possibility that the very political considerations which resist the trend to unity will lead the way to national cooperation and formation of the "New National Army."

III. Conclusions.

1. Chinese Army of the Present.

The Chinese Army is not a unified national army responding to the direction of an organized War Department. It is, however, a huge military force of more than 2,000,000 men on active duty, arranged in groups and so located as to satisfy demands of the internal political situation.

The development of the present-day army dates from 1895. The original objective was the building up of national defense against future foreign invaders, but the trend of development has been more in the direction of internal pacification forces, the need for which arose in connection with the revolution of 1911-12 and the ascendancy of regional military leaders. Frequent civil strife between these feudal "war lords," while delaying unification of the new republic and consolidation of its national army, created the demand for larger and better armies and provided almost constant training in actual battle experiences.

The rise of the Nationalist Army gave indications in 1928 that the country might turn from internal strife to national preparation

to oppose any future foreign aggression. The domestic situation, however, is not yet such that the political and regional armies can be coordinated and welded into the required national defense forces.

The Chinese armed millions are mostly infantry. Through experience in warfare and from extensive influence of foreign-trained officers and foreign military instructors, many of these units have been brought to a high state of efficiency. Some of the Chinese infantry regiments compare favorably with similar units in Western armies. The Chinese Army lacks the desirable proportion of auxiliary troops; artillery and air support, both in training and in military operations, is very limited. The expense involved in the purchase and maintenance of special equipment and arms limits their procurement to what, in effect, are sufficient quantities for experiment only. Generally, the military forces of the dominating political group have a fair proportion of auxiliary arms and special equipment which are the governing factors in its victory over the more poorly equipped forces of the opposition. However, all military groups have trench mortars and machine guns and, in less degree, field guns.

The greatest asset of the Chinese Army is in the practically unlimited man power available. The splendid characteristics of industry, patience, ingenuity, physical endurance and lack of nerves are found in the Chinese social strata from which the soldier comes. He has a marked subservience to authority and a remarkable disease-resisting physique. Properly trained and officered, well fed, adequately clothed and regularly paid, the Chinese make good soldiers, even when judged by the best Western standards.

The principal weakness in the Chinese Army is found in shortage of properly trained officers, particularly in the higher grades, and lack of armament of proper quality and amounts. Continuation of the present training policies will make up the deficiency in officers in time, but the procurement of required armament must await industrial development within China and the attainment of a prosperous national financial condition to support the necessary purchases abroad.

The greatest handicap to the development of a really unified army has been the lack of a national spirit. The Nationalist movement initiated to complete the revolution of 1911 gave greatest promise of leading the nation to spiritual unity. This hope was expressed through the Nationalist Army which for almost five years has been the assuring power behind the Kuomintang (Nationalist Party) in its attempt to lead China to the state where purely political tutelage, uninfluenced by military force, might be satisfying and productive. But revolutionary enthusiasm and novel political planning run afoul of military power not entirely sympathetic with the plans expressed by the dominant Nanking branch of the Nationalist Party for the political development of the nation. Thus the day of the army in the Kuomintang programme not done, and yet the army cannot, of itself, with purely military methods, bring internal peace. But to what stability there is, and to what progress toward political unity there may be, the army is the guarantee. And it is becoming more apparent, as recent experiences would seem to indicate, that the army will furnish the leadership in creating a national spirit.

The mission of the army of the present day is to support progress towards national unity and provide for domestic stability of

the nation. This task is manifestly made more difficult with the continued existence of high military forces owing no allegiance to constituted authority. But frequent civil strife, aided by the usual methods of financial compression and disbandment, will eventually eliminate these forces not necessary to the present situation.

The Chinese Army of 1912 absorbed 33 per cent of the total national expenditures; in 1930, 49 per cent of the national budget of over $[illegible],000,000 (Chinese currency) went into the military machine. It is estimated that about one-third of the total funds allotted the military forces found its way into the personal and reserve funds of various military chieftains, leaving something like $160,000,000 for the equipment and maintenance of over 2,000,000 men. The low net cost, therefore, gives an added appreciation of the efficiency of the Chinese Army of to-day.

2. Chinese Army of the Future.

The mission of the future Chinese Army will be one of national defense without aggression.

The deficiency in national spirit, or spirit of national consciousness, without which no nation can make an army, will be overcome in the spiritual awakening that will be forced by the threat of foreign aggression. The greatest asset to China is an aggressive foreign foe. Behind the army's resistance to such aggression will develop a national unity of purpose that will in turn rebuild the army. Shanghai in February and March, 1932, provides an approximate illustration of this conclusion.

The Chinese are unquestionably possessed of the characteristics and spirit that go to make an army, and conditions in the Far East are rapidly forcing the development of those qualities which heretofore have remained dormant. When the Chinese apply themselves earnestly to the study of military things, they are certain to succeed. That time is in the not too distant future; and when they do turn their industry, thoroughness and ingenuity to attain an end, it is expected that that end will be attained in a relatively short time and in a remarkably thorough way.

The conditions which inspire resistance to a foreign aggressor or encourage preparation in order to reclaim lost territory will likewise lead to a degree of internal political unity. This situation will favor the development of a truly national army responsible to the centralized control of a substantial government. Such an ideal result is not expected at one effort; it will take many. However, that is the trend of the times and the plan of the leaders. While appreciating the really great improvement in the Chinese Army during the past 10 years, there is a frank admission on the part of Chinese leaders that China's present military efficiency, strength and armament are inadequate to face the nations of the world, and they are deliberately adopting a policy to perfect the military establishments.

The size of the future army will in part depend on the state of domestic tranquillity and the extent of communications. Neither of these conditions is expected to improve as fast as need for national defense grows. Therefore, a relatively large army will no doubt be required to carry through a national program, e.g., 50 divisions of 15,000

men each with proper armament and auxiliaries.

The Chinese Army of the future can be visualized in no clearer way than by considering the program of New China which was recently enunciated in Washington by one of China's most able young diplomats. The program has first -- adopt machinery and industrialize; second -- equipped the army and create a modern war machine for vigorous national defense.

ALFRED T. SMITH,
Colonel, General Staff,
A. G. of S., G-2.

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.

AMERICAN LEGATION
OFFICE OF THE MILITARY ATTACHE
PEKING, CHINA.

CONFIDENTIAL

Y.1 2009-223 1932

June 9, 1932 3 DEPARTMENT

No. 8317

Subject: Observations with 19th Route Army

To: The A. C. of S., G-2, War Department,
Washington, D. C.

2009-223/1

RECEIVED G/2 W. D. JUL 6 1932

1. The attached report supplements reports on the same subject enclosed with letter No. 8288 of May 12th and letter No. 8302 of May 26, 1932.

2009-223/2

W. S. Drysdale
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Lieutenant-Colonel, Infantry
Military Attache

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WAR DEPARTMENT

OBSERVATIONS WITH 19TH ROUTE ARMY

Replacements.

From the outbreak of hostilities in Shanghai to well into April some replacements were obtained through volunteers who arrived in small bodies from schools in various parts of China. During the Shanghai battle numbers of students of both sexes from local schools actually took part in the fighting. Officers of the 19th Route Army reported that though these students were largely untrained their services proved to be very valuable. They were filled with ardent, almost fanatical, patriotic fervor and their acts of bravery and self-sacrifice inspired the troops. They had little organization and the military, though dubious at first as to the value of their presence, finally permitted them to go forward in small groups to support the front lines. There, due to their lack of knowledge in the manipulation of weapons, they were supplied with hand grenades which, it is said, they used effectively. Volunteer students continued to report to the 19th Army as it took up its defensive line through Kunshan. The total number reached about 3000. It became necessary to bring them together, which was done by placing them under the control of the 156th Brigade of the 78th Division for training. The brigadier of this unit told the observer during the latter part of April that the 19th Army was trying to persuade the volunteers to return to their homes as they could best serve the country by continuing their education.

The relation of the army with the volunteers is believed to be an excellent example of the general official attitude toward students and student movements throughout the country. The official is not afraid of the student but is afraid of the effect that might result if student activities were too suddenly thwarted. The official sees the value of utilizing student movements to develop the spirit of nationalism. Such movements are close to the general public and even though at times they go well beyond the bounds of propriety, to crush them would result in the death of a public spirit which for the past few years has had a precarious growth. The general attitude of officialdom toward student groups is that of the indulgent parent.

During the Shanghai fighting it appears that requests were sent for reinforcements to the province of Hunan. It was stated that four regiments were organized totaling 10,000 men. They were moved to the Shanghai area too late to engage in the fighting but were attached to the 19th Army as a special reserve for further use. An attempt was made to discover the units from which these regiments came. From the vague replies to questions asked it appeared that they were especially recruited from ex-service men and augmented by small drafts from a great variety of units. It is believed that these four regiments will be absorbed by the three divisions of the 19th Army now that the hostilities about Shanghai are over.

Other drafts of casuals were forwarded through Nanking from various recruiting agencies in the interior. Two of these drafts were seen by the observer in April. They consisted of about 1000 men each and were made up of riffraff that had probably been picked up off various city streets. The officers of the 19th Army were optimistic about them, however, and insisted that they could be made ready for duty in from two to three weeks if need for them became great. Some of the casuals were said to be ex-service men but it was believed that this class was not large.

Recruit training was superficially observed several times. Only training in the school of the soldier was observed. Non-commissioned officers in charge of small groups pushed their training in a most energetic manner. Individual and squad foot drills predominated in the training that was seen. From conversations and some observation it was believed that instruction in the use of the rifle was quite meagre. The prone position of a Chinese rifleman never appeared to be comfortable but was awkward and stiff. Surprisingly, some of the officers proved to have considerable knowledge of the theory of training in rifle marksmanship. One brigadier described his system in a way that indicated familiarity with many points brought out in the American training system, but no opportunity was given to observe his methods in practice.

Casuals did not appear to be as available to the 5th Army as they were to the 19th. Early in March, officers of the 87th and 88th Divisions stated that if more fighting occurred it would be necessary to engage the enemy without replacements. They rather favored the idea that they would be more effective with smaller but well trained numbers than they would with ranks filled with newly arrived casuals. It was not until April that the 5th Army began to augment its numbers with recruit replacements. The 19th Army on the other hand boasted that if the reopening of hostilities did not occur before about March 24th its strength would be greater in effectives than it was during the Shanghai fighting. They believed that recruits could be placed beside the veterans in the ranks and give a good account of themselves.

Attitude Toward War with Japan.

Throughout the 19th Route Army there existed a feeling that war with Japan would be the natural result of the hostilities in the Three Eastern Provinces and in Shanghai. Many officers, particularly those of the 78th Division, felt that if the cessation of hostilities about Shanghai became a fact a general movement of Chinese troops northward for the purpose of a campaign in Manchuria would be the next step in such a direction. All eyes turned toward Russia as a natural ally and toward America with hope for support.

The Chinese admitted their inferiority in arms and equipment but refused to admit any inferiority in ability. Officers agreed generally that disregarding the effect of artillery fire and air bombs the actual infantry fighting around Shanghai was less severe than that which they had experienced with the Reds in Kiangsi and with the Yen-Feng combination between Tsinan and Chengchow in the summer of 1930. A grim optimism existed in their attitude toward the results of a war with Japan. Lack of guns and aircraft was deplored but they believed they could take their losses and with the tremendous reservoir of Chinese man power behind them wage a successful war of attrition with the island empire.

A deep and sincere hatred for all things Japanese exists in the hearts of the military and a large portion of the thinking civilian population. This hatred has grown tremendously in the last year due to the various acts of Japanese aggression. The boycott is a natural result of it and it is felt that this instrument, though through necessity it comes under a degree of central control, is fundamentally based on an outburst of national spirit.

Contributing strongly to anti-Japanese feeling and the use of the boycott are the many youth movements throughout the country. Founded and nourished in the various educational institutions for many years, this feeling has gone beyond the bounds of student control. In the idealism of youth, students swear to the perpetual hatred of Japan and vow that never, as long as they live, will they use Japanese goods. These vows are not forgotten and throughout China are found young men who in their post graduate days are as ardent in the dissemination of anti-Japanese (so many times anti-foreign) propaganda as they were as students. This "anti" propaganda, which at the present time is directed entirely at Japan, is believed to be the greatest of the potential dangers to peace in Asia.

Favoritism Shown America.

Throughout the stay of the observer with the Chinese armies a particular friendliness toward America was manifested. Despite his embarrassment and protests the American was the only foreign observer who was entertained at Chinese expense. Appointments were given the American that were refused the other observers. Inspection trips were arranged for the American and then cancelled with the implied excuse that other observers had asked to accompany him. During conversations with higher officials the similarity of American and Chinese problems in the Pacific was stressed.

Of all the observers, - British, French, Italian and American, the French was regarded with the most suspicion. Both the British and American officers were told to arrange trips together in such a way that it would not be convenient for the Frenchman to accompany them. Little attention was paid the Italian because of his short stay at the front.

The foreign policy which the United States has maintained toward China and Asiatic questions in general was quoted by the Chinese as being the basis and proof of the friendliness which exists between the two countries.

British Intelligence.

As of additional interest the following is noted. During a conversation with a British official of the Asiatic Petroleum Company it was learned that several years ago a British army officer was given employment in the A.P.C. During his stay with the company his work was confined to a survey of the Yangtze Valley.

W. G. Wyman
W. G. Wyman
First Lieutenant, Cavalry

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OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
JUN 29 1932
WAR DEPARTMENT

2009-223

May 26, 1932

No. 8302

Subject: Report of Observer with 19th Route Army

To: The A. C. of S., G-2, War Department,
Washington, D. C.

RECEIVED G/2 W. D. JUN 21 1932

1. It is requested that the appended report be attached to report on the same subject enclosed with letter No. 8288 of May 12, 1932, which it supplements and completes.

2009-223/1

W. S. Drysdale.

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22 JUN 1932
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WAR DEPARTMENT

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REPORT OF OBSERVER WITH 19TH ROUTE ARMY

1. **Organization.**

The chart with attached notes which were submitted as enclosures to letter No. 8288 covers the information gained relative to the organization of the 19th Route Army. It is also noted that the paragraphs under "General" in the notes bears on the following as well as on information previously submitted.

2. **Equipment.**

The 15 cm. howitzers were not seen and the 75 mm. field guns were seen only at a distance. The latter were of the same types that have been seen for the past several years in the Central Government armies; some were Chinese made, probably of Krupp design, while others were believed to be of Japanese make.

The mountain guns are also of 75 mm. calibre. Two types were seen, one a model 1903 Krupp having a range of 4000 meters and the other a newer Chinese gun with a longer barrel, probably designed from Krupp models, which had a range of 5000 meters. These guns were mounted on small wheels and were hauled by animals or men. For work over country too rough for wheeled transport they were broken down into 5 loads, each load being carried on a litter by four men. Loads were as follows: 1 - the piece, 2 - the trail, 3 - the cradle with recoil mechanism, 4 - wheels with attachments, 5 - shafts with attachments. The lighter loads were increased by adding ammunition.

The infantry gun is an Oerlikon (said to be German designed, made in Sweden). Its calibre is 25 cm. having a range vertically of 3000 meters and horizontally of 5000 meters. It is mounted on small wheels and hauled by animal or man power. There are three firing positions for this gun. In emergencies the gun is fired from wheels and trail; the wheels can also be replaced with a bipod rest which with the trail furnish a second base for firing. The third position is for anti-aircraft work when the piece is raised up with a series of bipod and tripod rests which gives it a 360° traverse and almost a 90° elevation. A crew was seen with this gun going into action from march order. It took nearly two minutes to prepare for anti-aircraft fire but the crew was poorly trained as the operation should have been performed in well under a minute. The gun operates on a spring recoil and is oil cooled. Oil has to be changed every hundred rounds. There are separate automatic and slow fire triggers which can be worked from the hand grips on either side of the rear block of the piece. 15 round magazines are equipped. A gun crew consists of from six to eight men. Thirteen types of shells are supplied, i.e., shrapnel, incendiary, flares, tracers, etc. Panoramic sights were used for indirect and anti-aircraft fire.

25 mm?

A German adviser told the observer that these guns were too complicated for Chinese use but the Chinese themselves seemed to be quite pleased with them. An 88th Division unit commander reported that during the Shanghai fighting he had had no guns go out of order except from the effects of enemy fire.

The trench mortars were of two calibres, 3 and 6 inch, both believed to be Chinese manufactured but generally of Stokes design. The heavier piece was mounted on wheels. The maximum range of the lighter piece was said to be 1000 meters, of the heavier 3000 meters. Variations in range were obtained by a combination of elevation and a variable propelling charge. The latter was obtained, however, not by the American system of powder rings but by a variety of projectiles in which the necessary charge was fixed.

Machine guns were of a great variety of types. Many old heavy Maxims were seen, said to have been captured during the fighting against the Shansi forces in Tsinan in 1930. There were also many old light Maxims with a Spandau trademark stamped on the piece. There were two types of Chinese made machine guns said to have been designed from a combination of American and German models. The heavier of the two, from a sketchy examination, appeared to be almost a prototype of the American heavy Browning, but the observer was told that there was a difference in the action of the firing mechanism.

Automatic rifles in both the 19th and 5th Armies were of the same types. They were both new without trade-mark. It was surprising that no one seemed sure where they had come from. One officer said they were American rifles, another said they were Italian. The latter statement is more probably true but the fact that there were no identifying marks might indicate a Chinese copy of some foreign make. The weapon was equipped with a bipod rest, was heavier than the American Browning automatic, and had a somewhat complicated firing mechanism. A magazine ammunition feed was used. Magazines were for 20 and 40 cartridges and fitted on the piece below the chamber in a similar manner to the Browning automatic. Officers said that this weapon went out of order easily.

Rifles were generally old but were kept in good condition as far as cleanliness was concerned. One General told me that the rifles of his brigade were useless as the barrels were all worn out.

Hand grenades were plentiful and all of the "potato masher" type.

With the exception of the infantry gun, rifles and automatics, these remarks are based on observations in the 19th Army. It is believed that the 5th Army would be found equipped more uniformly and with better materiel. All small calibre weapons were 7.9 mm. which simplified ammunition supply. The only exception noted was in the case of officers pistols which depended on the taste of the individual concerned.

Officers down to battalion commanders in the 78th Division were equipped with new Zeiss 8-power field glasses. This type is big and clumsy for field use and appeared incongruous due to the scarcity of some other types of equipment. Possession of these glasses was due probably to the sudden affluence of the 19th Route Army.

Equipment of the private soldier in the 19th Army was most meagre. In the field he carried a light blanket in a shoulder roll. His mess kit consisted of a tin cup and a pair of chop sticks. Extra changes of socks and underclothing

were the exception rather than the rule. Tooth brushes were quite general but was the only toilet article noted. Intrenching tools were present but there was no uniform distribution. The typical Cantonese straw rain and sun hat was carried by all enlisted men. A light theoretically waterproof cape was carried with the blanket. The soldier carried 400 rounds of rifle ammunition in horizontal rows of belts adjusted about the body. His rifle, bayonet and two or more hand grenades completed his kit.

No 5th Army full pack equipment was seen, but the observer was told that all soldiers carried a uniformly complete back pack.

Clothing in all Chinese units was very poor. Officers evidently supply themselves. All were dressed in wool for the winter and had changed to cotton prior to the departure of the observer in May. The 156th Brigade of the 78th Division had succeeded in getting an issue of wool for its enlisted personnel. All other units of the 19th Army were dressed in cotton, some with "shorts" for breeches even in the winter months. The enlisted personnel of the 5th Army was more generally dressed in wools but due to losses and wear during the Shanghai fighting a great deal of cotton was also seen.

Signal equipment that was seen was all very much the worse for wear. Old field telephones were in wooden containers with the receiving and transmitting hand piece on the outside. Four line field switch boards were bulky, about twice the size of American boards. One division radio set was seen and was in operation. It was a very light set contained in three boxes similar to those of the American S.C.R. 127. Power for transmission was secured from a small motor operated on the city lighting system. The antenna was poorly put up and consisted of a single low wire strung between two buildings. Signal equipment generally was believed to be obsolete materiel of either German or Japanese make. Ground return circuits were used throughout the telephone system. The necessary single conductor wire was laid by the use of back or breast reels.

3. Staff.

An effort was made by the observer to gain permission to watch the operation of the staff of the 19th Army by attaching himself to it for several days. His efforts were discouraged however by the Chief of Staff who stated that the several staff departments were so far separated in their location that a proper study of them could not be made. He apologized for the inadequacy of his staff but was very cordial in expressing his willingness to talk about it. General Chiao was a highly intelligent man but somewhat suspicious of foreigners and it was soon found that he, more than anyone else in the 19th Route Army, would endeavor to mislead a foreign observer.

It was notable throughout the period of observation that the personnel which made up the staff departments was of a completely different type than was found amongst the troop leaders. The former were studious and thoughtful people almost without exception, trained staff men, advisers who leaned on the troop leaders for decisions. The latter were open, hearty,

vigorous and friendly, surprisingly like officers of our own army in their mutual camaraderie. These two types fitted together and complemented each other's efforts in a most effective manner. To a foreigner organized Chinese effort is difficult to perceive. But through the chaos that seems to prevail surprisingly good results are obtained.

Considerable doubt existed and still exists in the mind of the observer as to the degree of control the 19th Route Army maintained over the 5th Army. General Chiao many times insisted that his staff operated over the 5th Army while the only information that could be elicited from the 5th Army was that orders came from the Central Government. The 19th Route Army admitted as much but argued that its headquarters were responsible for such orders and issued them for and in the name of the Central Government. The observer asked General Chiao if he could control the artillery in the 5th Army, to which he replied that he could. In case of necessity he could mass all divisional artillery at the most practicable point; that the artillery was at that time distributed to its divisions only in order to more easily administer it during the period of truce. Despite all remarks to the contrary, however, it is felt that the 19th Route Army's control over the 5th Army and the 47th Division was mostly nil. It was allowed to exist on sufferance and prevailed only when it was felt by all to be for the common good. It must also be admitted that this loose system proved to be effective in the case of the Shanghai operations. All units showed a remarkable amount of co-operation and regarded each other with the utmost respect.

Plans, Operations and Intelligence.

To form a comprehensive picture of this department would be most difficult. The Chief of Staff indicated that plans were drawn up and approved. Then orders for the operations were prepared and checked by using the services of the necessary staff departments. The order resulting from this procedure contains information which is embodied in paragraphs 2, 3, 4 and 5 of the American Field Order.

Information of the enemy and friendly troops is dealt with separately and comes under intelligence. It is the function of the intelligence section to keep this information constantly in the hands of unit commanders. This fact, according to the Chinese, makes a recapitulation of such information in the field order unnecessary. It is believed that this system was not effectual. Even after the Chinese army had been in its new lines for two weeks responsible commanders, i.e., brigades, regiments, battalions, and their staffs showed a surprising lack of knowledge as to both enemy and friendly troop activities on their flanks. Much information could be obtained but too much of it was inaccurate.

It is true that the 19th Route Army Headquarters itself was kept well informed, but having been told that such information was constantly being forwarded to lower units the observer felt that there was a failure in properly disseminating necessary information.

It is believed that the co-operation of the 5th Army and 47th Division was secured through conferences rather than through the issuance of orders. The units supporting the 19th Route Army, after discussion of policies and procedure, then worked out their own staff problems without interference.

Communications.

Signal. Telephone communication was maintained in the 19th Army forward to companies; in the 5th Army and 47th Division only to battalions. A shortage of wire in the latter two organizations was given as the reason for less telephone service there. The 19th Route Army also maintained telephone lines down to its armies and the 47th Division. The service was poor, which would be expected since ground return circuits were used with the single line strung loosely on light bamboo poles. In addition to a great deal of cross talk being heard circuits were constantly being reported as out of order.

Telegraph communication was used only where commercial and railroad lines were available.

A radio communication net was maintained between the Army and the headquarters of divisions. In addition the 87th and 88th Divisions had elements of their rear echelons in Wusih and Soochow, respectively, which maintained radio communication with their forward echelons. It is believed that the 19th Army divisions functioned in a similar manner. Their radio equipment though reported was not observed.

Transportation. Transport over raods, waterways and railways was believed to be commandeered though it was reported to have been voluntarily offered by the people concerned. There seemed to be no ill feeling between the transport laborers and the military. Hard labor was performed willingly and cheerfully.

The area under consideration (see map) was very well adapted to transport. Railway facilities were through from Nanking to Kunshan. Roads, though little more than paths, furnished good going and a good network for coolie carriers. The lakes, canals and rivers, however, furnished the most simple means of transport. Small launches furnished power to pull long trains of flat boats.

Storage and Supply. Principal dumps were located in Soochow and Wusih. Army and division dumps existed side by side. Stores came by boat from Shanghai and by rail from Nanking. In Soochow and Wusih they were turned over to Division and transported by boat to the front. All ordnance supplies went to the 5th Army and 47th Division through Wusih. Other supplies for all units were collected at Soochow for distribution. Food supplies were requisitioned locally where possible. Division dumps in Soochow showed large quantities of rice, however, which the observer was told had been "donated".

With the exception of munitions there was no large collection of supplies for the army. In one army warehouse 3,000,000 rounds of rifle ammunition was counted with hundreds of boxes of hand grenades. In Division dumps, however, everything imaginable was collected, - clothing, food, and arms of all descriptions. There were no great quantities of any one item collected as the bases were kept well cleaned out due to the front line demand.

Attempts were made to find an artillery dump but from the manner in which such attempts were met it was believed that artillery ammunition supplies were very low.

The location of the dump area, which was quite limited, must have been obvious to the daily Japanese air reconnaissance due to the activity on the adjacent canal front. If hostilities had again opened it would have been simple to severely cripple the service of supply by a few well placed air bombs.

Ordnance.

Army ordnance attempts to supply materiel and ammunition and maintain major repair facilities. Materiel and ammunition are purchased when possible and turned over on receipt to the supply branch of the communications division of the staff. Major repairs depend on the liaison which exists between the army and some government arsenal.

The 19th Route Army and 5th Army ordnance divisions of the staff are believed to be quite independent of each other, both relying on what support the Central Government can give them. Due to the large contributions made to the 19th Route Army during the Shanghai fighting it is believed that that army has been able to favor itself considerably on the supply question.

The observer visited the ordnance repair shop of the 78th Division where light repairs were being made. It was an immobile small arms maintenance section in scope but some work was being done on heavier materiel. Work on machine guns was stressed. Several mechanics from the Mukden arsenal were valued assistants. It appeared that the division repair shops were utilized principally to determine what major repairs were necessary, classify them, and store the materiel thus classified until disposition was possible. Minor adjustments could also be made but tools and equipment were greatly lacking. These minor repairs consisted largely of readjustments of firing mechanism which would be performed by the company mechanic in an American organization. A great deal of proof firing was being conducted.

The division commander who accompanied the observer stated that if the fighting did not continue the damaged pieces would be sent to arsenals for repairs. New guns had been received from the Shanghai arsenal to replace those that had been damaged. If fighting should break out again however the damaged guns would be disassembled and as many good guns as possible would be made out of them.

In this repair shop about 25 heavy and 15 light machine guns were awaiting attention. There were surprisingly few rifles, however. There were 5 mountain guns with damaged sights, easily repairable, and a great many of the odds and ends that would be expected in such a place. Work was being conducted efficiently though greatly hampered by scarcity of equipment.

Medical and Veterinary.

Reports previously submitted by this office apply equally to the efficiency of the 19th Route Army medical organization. Public buildings in Soochow were commandeered to furnish space for base hospitals.

Military Law.

No contact was made with this division but the observer was told that the laws and regulations emanating from this office were very strict. Looting, drunkenness and association with prostitutes were punishable with death. Military police were given great authority with which to carry out their duties. In one instance two wounded soldiers refused to be ejected from a moving picture house after having failed to buy tickets. The military police on duty there shot them both dead. Officers and men in the city of Soochow were obliged to wear specially prepared tags on which was printed in enamel their duty status and authority for being in town. The absence of this tag resulted in severe punishment when picked up by the military police.

Discipline in the army was good but varied in the several organizations. In the 5th Army military courtesy and respect for authority had a definite Teutonic stamp. The 47th Division had a reputation for poor discipline but at the time of the visit of the observer it appeared to be good. In the 19th Army discipline was more similar to that of the American Army. Off duty officers of all ranks conducted themselves as social equals whereas in the 5th Army several instances were noted where junior officers were most uncomfortable when in the presence of officers of senior rank. The relation of the enlisted personnel with the officers of the 19th Army was very democratic and the results obtained were very good.

Finance.

The duty of this division was confined purely to the handling of funds. Pay in the various armies varied. In the 47th Division pay was uppermost in the minds of the officers. Only ration allowances had been received for months. The 5th Army was behind in pay to a lesser extent and no complaints were heard. Officers recognized the financial difficulty that confronted the Central Government. Officers in the 19th Army stated that due to the contributions that had come in during the fighting officers and enlisted men had been paid to date. Several enlisted men were questioned, however, and had not been paid for two months, but all seemed to be happy and were well supplied with cigarettes. Pay two months in arrears was probably regarded as so much better than normal conditions that there could be no room for complaint.

The contributions received by the 19th Route Army are being utilized entirely for 19th Army necessities. Other funds were obtained for general use from the province of Kiangsu. While the observer was in Soochow an order was received by the Mayor from the Provincial Government stating that all landlords in the city would be taxed in money the equivalent of two months in rentals, which would be submitted to the Provincial Government to replace funds that had been "loaned" to the 19th Route Army. The landlord alone was to suffer. It was stipulated that the rents could not be raised. This illustrates Chinese methods in meeting financial emergencies.

Funds turned over to the finance division are expended at the direction of the commander. The officer personnel of the 19th Army was noticeably affluent as compared to those of other units.

Education and Propaganda.

Specialized military training units are constantly kept at work in time of peace. During the truce after the Shanghai fighting no time was lost in establishing divisional training centers in rear areas. Divisions maintained training battalions for the development of non-commissioned officers of infantry. Schools for officers and non-commissioned officers of artillery and engineers were also established. Though the observer gained permission to inspect these schools, so much delay was experienced in making appointments which were many times interrupted by trips required for the primary mission that close observation of school activities was impossible. It was learned however that courses were short. One class was returned to duty and another enrolled within a period of two months.

A class of 4000 officers of company grades was in the course of instruction at a school in Nanking during the months of March and April. The length of the course was unknown but it is believed that the personnel was being trained to be used as casuals for all government forces in the Nanking-Shanghai-Hangchow area.

Propaganda is an important function of the army staff and it is believed that this branch though not shown on the chart as an element of the division staff is present but under some other title. Propaganda of the 78th Division and particularly of the 156th Brigade was most noticeable. This division issued a daily mimeographed sheet with which the men were required to be familiar. Its contents were devoted to the development of esprit. Derogatory references to the enemy were made and the discussion of public affairs had its place.

The 156th Brigade was noted for its anti-Japanese slogans which were painted on all convenient walls. Toward the end of April this idea had spread, for many 60th Division slogans began to appear.

General Affairs.

This branch is felt to be rather superfluous in so far as the purely military staff is concerned. The commanding officer's chief aide is its head and exercises considerable influence over the entire staff to a degree that must sometimes be embarrassing to the Chief of Staff.

In general the entire staff is clearly divided into its forward and rear echelon. The forward echelon is comparatively small, being composed principally of plans, operation and intelligence personnel. The rear echelon elements, however, are represented by liaison officers where necessary. The tremendous overhead which is found in a Chinese army staff is felt to be due to a large clerical force necessitated by the clumsiness of the written language.

The general impression gained of staff work during the period of observation was that it was well organized but retained too much overhead. Staffs that had been developed over a period of years to function with given smaller units were fairly efficient. The great lack in securing the necessary coordination of effort of large Chinese armies would be found in the absence of personnel that could operate as a general staff and under which the various armies would be willing to function without question.

Maps.

Maps have not been mentioned under any particular staff branch because it was believed that they were furnished by a department of the Central Government. Maps were in common use, however, throughout the entire army from the detailed general map of army and division commanders down to the area sketches carried by company commanders in front line. Accuracy of maps was of course undeterminable but the impression gained of detailed maps that were seen in army, division, and brigade headquarters was that they were much better than any foreign maps with which the observer was familiar. Maps were printed on thin, tough rice paper which seemed to wear very well. Sheets were seen in front line which had been badly crumpled and worn but were untorn and serviceable. The most undesirable feature seemed to be that due to the thinness of the paper it was necessary to place the sheet against an opaque surface in order to make it properly legible.

4. Combat Efficiency.

Offense.

During the observer's stay on the Chinese front west of Shanghai no actual hostilities were observed on which comments could be based. From observation of troops, their organization, equipment, morale and state of training, however, it is believed that the 19th Route Army would be rated very low as an offensive machine. Its fire power would be entirely inadequate to attack an enemy of equal or even considerably inferior strength which was equipped and trained in accordance with modern military thought. The morale of the troops was high but the type of individual who becomes a soldier in China is not one who will make an intelligent fighter until he has been trained to a very high degree. Brave and fearless he is, but such qualities do not take objectives unless they are supported by weapons and training.

Patrols. Several times during the period of observation it was necessary to go into localities which were believed to be occupied by Japanese troops. At these times the observer was protected by guards varying in size from a platoon to a company. The patrol and advance guard work of these units was surprisingly good and was proof of considerable experience in this work. Cover which might conceal an enemy within 300 yards of the route of march was investigated by two man patrols. Individuals in these patrols made careful use of cover during the approach to unknown localities. A good deal of this work was done at a dog trot. Distances were well maintained and the main body was at no time held up.

During a trip of this nature which was made by the French observer his guard was fired on by a Japanese patrol. He stated afterwards that there was little excitement caused in the Chinese unit. A methodical deployment ensued which utilized several minutes, after which the fire fight was taken up and the enemy patrol was driven off. He was most complimentary in regard to the conduct of the patrol.

Defense.

The 19th Route Army proved its capabilities in defense when it stopped Japanese troops for over a month north of Shanghai. Some comments on the positions which the Chinese occupied after their withdrawal might be of additional value in determining the capacity of these troops to defend themselves.

The terrain west of Shanghai is ideally adapted to defense. Two railroads run into the area, one from Nanking southeast to Soochow thence east to Shanghai, and the other northeast from Hangchow to Shanghai. The Grand Canal, furnishing an additional aid to transport, parallels the Nanking railroad to Soochow and from there goes south to Hangchow. A series of large lakes in the vicinity of Soochow not only offer an obstacle to the enemy but assist in the problem of supply. The four principal lakes in this area are the T'ai Hu, Cheng Hu, T'ien Shan Hu, and Yang Cheng Hu, all of which are connected by canals navigable for small craft. Going eastward into the forward zone of operations is Soochow Creek which connects Soochow and Shanghai and runs south of and parallel to the railroad. Another waterway of importance is the Ch'in Yang Kang, a creek which runs north out of Soochow Creek east of Kunshan, thence northeast to Taitsang where it runs into the Liu Ho. Numbers of small creeks empty into the Yangtze River and in addition innumerable canals run in all directions which results in a most complete network of small waterways. Generally these radiate from the more important centers of Soochow, Changshu, Tungt'angshih, Kunshan, Chihtang (1), Chihtang (2) and Taitsang. No available map properly shows the terrain of this area. A glimpse of a Chinese military map one day indicated that it would be impossible to move in any direction without crossing a canal or creek every quarter or half a mile.

In addition to the waterways, the ground itself offers a great deal of cover for either attacker or defender. The terrain is dotted with small villages. Groves of bamboo and groups of shade trees abound. The undulations of the ground and the many man-made dykes afford the soldier the maximum of protection.

Only two noteworthy bits of high ground are found in the Chinese area of operations, both of them are piles of rock that come up steeply out of the surrounding flat country. The smaller of the two is immediately northwest of Kunshan. It rises to about 400 ft. and occupies an area of not more than a half mile square. The other just west of Changshu rises some 500 ft. It is a hill about three miles long and one mile wide, its longer axis paralleling the Yangtze River.

A blueprint is attached to this report which was based on the most accurate British map available. Only the more important features and places which pertain to this report are posted thereon. Names of places are quoted as given on the Chinese Postal Map. Where names are shown only in Chinese characters on the Postal Map they have been posted by using the Wade system of romanization.

The Chinese area of operations was west and south of the Shirakawa patrol zone as established by the Japanese. This line runs from the north as follows: Fu Ch'iao-Yueh Wang Shih-Wai Kang-Anting-Pai Hu Chiang, then eastward along Soochow Creek. The terrain south of Soochow Creek was said by General T'sai T'ing-kai to be particularly difficult in consequence of which the Salt Brigade, less one regiment, was utilized to patrol it and hold it in case of necessity until reinforcements could be brought up.

The principal effort was made in preparing defenses west of the Shirakawa patrol zone. This area was divided in two. The 5th Army with the 47th Division operated north of the line——northern part of Yangcheng Hu (lake) and a point about 3 miles north of Taitsang. The 19th Army operated south of the line. Though the fact was not established it is believed that the 47th Division operated under the 5th Army Headquarters which was at Tung T'ang Shih. The 19th Army Headquarters was at Cheni. Lateral communication between the two armies was routed via the canal between Soochow and Changshu.

In the 5th Army sector the 87th and 47th Divisions were in front line. The outpost line of the 87th extended from a point 3 miles north of Taitsang to a point midway between Chihtang (1) and Maili. Its headquarters was at Tung Tang Shih. The outpost of the 47th extended from the left of the 87th through Maili and Fushan on the right bank of the Yangtze River. Its headquarters was in a village just northwest of the Changshu hill. Additional river guard was secured by one regiment of the Salt Brigade which was stationed on the river about seven miles east of Hupukow. The 88th Division was in reserve at Changshu.

In the 19th Army sector the 60th and 61st Divisions were in front line. The outpost line of the 61st extended from the vicinity of Taitsamg south till it crossed the railroad at T'ien Fu An. Its headquarters was in the northern outskirts of Kunshan. The outpost line of the 60th Division extended south of the railraod with positions prepared along a refused flank to Tsientun. Its headquarters was in a village one mile south of Kunshan. The 78th Division was in reserve at Wei Ting. In addition two reserve regiments, the 6th of the 78th Division and the 1st special reserve regiment occupied positions at Taitsang. The mission of these regiments was not to maintain liaison between the 5th and 19th Armies but was to strengthen what was believed to be the spearhead of the Chinese defense.

The main line of resistance of the Route Army was along the line Changshu—Yang Cheng Hu (lake)—Kunshan—T'ien Shan Hu (lake), with the Yang Cheng separating the 5th and 19th Armies.

Though a great deal of effort was expended in the preparation of the main line of resistance, especially in the 19th Army sector, it was believed that the forward positions would be held as long as possible even though the cost might be very great. These forward positions were prepared as strong points. There was no continuous trench construction but strong points were selected in such a way as to secure mutual support. The forward defense system was based on the four strongest positions: Chihtang (1), Chihtang (2), Taitsang, and Lou Chia Pang. Intermediate points were lightly held.

Considerable difference was noted in the construction of defenses in the various units. Defensive positions were seen in the 47th Division at Maili; in the 87th Division along the line, in depth, Chihtang (1)-Pai Mo; in the 19th Army at Taitsang; at points just west of Ker Lung Chen; at T'ien Fu An, Lou Chia Pang, Ch'in Yang Kang, and along the line Kunshan-Pa Cheng. Other defenses were seen more casually about the cities and villages and along the routes over which the observer passed.

The poorest defenses were found in the 47th Division. Trenches were constructed on long lines and were very stereotyped in nature. Only a single line of trenches had been constructed and there was no indication that more would be built. Approach from the rear depended on the natural cover afforded by the ground which generally, in this case, was not much. There was no overhead cover or attempt at concealment from the air. The soil varied between a sandy top soil and a greasy mud at lower levels. In the latter places trenches were necessarily built up. In the more sandy places machine gun emplacements would have crumbled quickly from use. Insufficient thought had been given to the selection of machine gun positions. The proper support of flanking fire of adjacent units was lacking. The actual outline of the trench system was good. Traverses occurred about every twenty feet, while additional protection was secured by parados and individual riflemen's pits which ran out at an angle from the front of the trench. No attempt had been made toward revetments which were necessary nor toward the preparation of entanglements due, it was said, to the absence of materiel. The field of fire was natural and good. It was planned that initial resistance would be offered the enemy by an advanced outpost which would utilize the natural cover afforded by the ground. This outpost, when forced, would withdraw on the single trench line which would become the main line of resistance.

In the 87th Division the 261st Brigade (headquarters at Pai Mo) sector was gone over from front to rear. On the left of this sector was the 47th Division with which, it was felt, there was little liaison. A considerable interval was covered by small patrols. On the right was the 259th Brigade. Its position was not verified but was believed to be distributed in depth along the line Chihtang (2) - Shanching. The distribution of units of the 261st Brigade was not known. At Chihtang (1), however, was one company east of the Taitsang-Chihtang (1)-Maili canal and astride the canals and roads leading from the northeast to Pai Mo. From Chihtang (1) to Pai Mo the ground was well prepared in a series of mutually supporting

strong points distributed in depth. The terrain was very much broken up in the area, cover abounded, and it was possible to go further into the ground without striking water level. Every village, grove or favorable piece of ground was utilized and prepared as a point of resistance. The observer in moving from Chihtang (1) to Pai Mo was struck by the very clever preparation of defenses. They were most carefully concealed. The natural appearance of the ground was maintained and a position was often discovered only after having approached to within a few yards of it. About 300 yards east of Pai Mo the strong points became much more elaborate. Each was prepared for all round defense but the most stress was laid on the eastern and northern limits of each position. Careful consideration had been given to the selection of machine gun positions. Fields of fire were good and included areas which made possible the fire support of adjacent positions. Trenches were avoided where possible due to Japanese air observation. Lateral communication and approaches from the rear depended largely on natural cover, but where necessary zigzag trenches were constructed. Combat trenches, when constructed as such, resembled those of the 47th Division but the nature of the soil, which was clay-like, made them more effectual. Trenches generally had no overhead cover but the positions of the forward strong points, which in many cases were tunnels dug underground from the rear to forward faces of low ridges, utilized overhead cover capable of protecting personnel not only from air machine gunning and shell fragments but from air observation as well. No entanglements were constructed due to lack of materiel.

The main line of resistance on the line Yang Cheng lake—Changshu was not seen. The state of defense preparations there was not determined.

In the 19th Army sector the strong point at Taitsang was very much isolated, which explained the presence of two reserve regiments. The nearest support of any consequence was at Kunshan. The defenses about Taitsang were generally semi-circular; north, east and south, about a mile from the town covering the very narrow Liuho-Taitsang-Kunshan road. The terrain afforded excellent cover which resulted in a minimum of construction. There was little organization in depth. The defensive line consisted generally of mutually supporting strong points. They were regarded more as outposts which if attacked would be supported from the main body in Taitsang. If driven in, the city itself would be held, according to report, at all costs. Taitsang would have been very difficult to take being an inland Venice built on a network of canals and narrow streets. The trenches that were seen were generally similar to those previously inspected. There was no attempt made to conceal them or secure overhead cover. Some were built on the natural crests of ridges which would have made them very obvious to the enemy.

A company from the 1st Reserve Regiment covered the new wide Kiating-Ker Lung Chen-Taitsang road which had been under the process of construction at the outbreak of hostilities. This company was stationed about 3 miles west of Ker Lung Chen. All strong points south of Taitsang were made up of small units

which generally covered possible stream crossings. Sand bags and simple trenches comprised the defensive works.

The main line of resistance of the 19th Army closely followed the west bank of a stream, which varied from 100 to 150 feet in width, from Soochow Creek north through Chin Yang Kang along the eastern face of Kunshan hill and northwest to Kuei Lai Lake. A strong outpost was stationed at Pa Cheng which, if attacked, was expected to withdraw between the Kuei Lai and Yang Cheng lakes. The intention of the army to make a maximum defensive effort on the line through Kunshan was indicated by barbed wire entanglements which ran from about one mile south of the railroad northward along the entire length of the line to Kuei Lai Lake. Wire was strung on two rows of 4-inch posts and was located principally on the west side of the stream at the water's edge. In a few instances wire was on the top of the far banks. This line was the only one in the entire Chinese area which was furnished with wire. The trench line was continuous and it was felt that it too closely followed the bank of the river and offered an excellent artillery target to the enemy. The river bank varied from four to six feet in height and the trenches which necessarily were shallow were directly behind it. Pockets were constructed in the forward trench wall for individual riflemen and machine gunners. Each pocket had overhead cover consisting of boards with about four inches of earth over them. Rifle loopholes were constructed so close to this roof that accurate rifle fire would have been difficult in many cases. Machine guns were not always placed to secure a maximum field of fire. Insufficient thought was given to flanking fire.

Communication and approach trenches were numerous and gave as much protection as the shallow trenches would permit. The intention was that during periods of artillery fire the trench along the river bank would be lightly held. Supports held in rear would be brought up to repel infantry attacks as needed. The terrain south of the railroad was organized in depth similarly to that of the 5th Army. If withdrawal from Kunshan became necessary a third line would be prepared and held at Wei Ting. The left flank of this line would rest on Yang Cheng Lake, the right flank on Cheng Lake.

In the defense area of the Chinese Army the most attention had been paid to fields of fire in the sectors of the 5th Army and the garrison of Taitsang. Other than in these two areas the terrain fronting Chinese positions contained many patches of trees, farm houses and banks which masked Chinese fire and gave cover to the enemy. From conversations, however, it was learned that these obstacles would be removed as far as possible in the event that hostilities were reopened. The army did not feel it to be desirable needlessly to destroy the property or handiwork of local inhabitants.

The use of the engineers in the preparation of defenses was somewhat obscure. Individuals that were seen at work were infantrymen and impressed local labor. The replies to questions varied. In some instances supervision by engineer troops was admitted, in other cases denied. In theory the engineers were expected to trace the outline of the trenches and supervise the construction generally, but it was evident that the line troops did not have much respect for their ability.

The observer was unable to determine the artillery role in the scheme of defense. Any interest shown in artillery was always discouraged. It is believed, however, that the Chinese would have made more use of it than they did in Shanghai. Unoccupied mountain gun emplacements were noted on the hill at Changshu. Other emplacements were seen from a distance along the railroad west of Kunshan which might have been either for field or mountain guns.

Confidentially, one day, a colonel on the staff of the 19th Army described the general Chinese plan. In case of attack Taitsang was expected to bear the brunt, for its fall would open the road to Liuho and furnish the Japanese with an excellent base for their operations. Whether Taitsang fell or not, however, the Chinese would look for an opportunity to launch an offensive. With the railroad east of Kunshan held as lightly as it was it was expected that the enemy would work their way up to the defenses at Chin Yang Kang soon after the reopening of hostilities and this development, it was hoped, would be in force. With the Japanese weakened by the fighting at Taitsang the 5th Army would move forward and at the same time a counter attack would be launched from south of the railroad east of Kunshan.

This statement was somewhat borne out when, on the first of April, it was learned that the 9th and 18th Divisions which had been on the Shanghai-Hangchow railroad were being supported by the 6th Division. Later it was found that the 83rd Division had also been in this general area. Also, early in April, a large force of artillery, believed to be the field guns and howitzers of the 5th Army, was moving eastward around the southern tip of T'ai Hu (lake). In addition it was known that the 1st, 4th and 10th Divisions were either on or were about to move on the Nanking-Soochow railway zone where they would be in supporting distance of the 19th Route Army.

Defense in Close Districts - Street Fighting. The Chinese soldier proved himself to be most capable in the defense of close districts in Shanghai. Small outposts held forward positions which were protected by sand bags and barbed wire. At night long strings of hand grenades were strung across avenues of approach. These could be detonated as desired from unexposed positions. The sniper was the order of the day. Machine guns enfiladed avenues of approach. The hand grenade and machine gun were the most valued weapons of the infantryman. Positions were organized in depth. The minimum number of men were used to hold exposed positions. Support was close at hand, however, and could be brought up quickly in case of necessity. When an enemy break through occurred he was permitted to advance against not too great opposition until he could be attacked on both flanks. The observer was told that many instances of this sort occurred when it was possible to attack the raiding force in rear. Demolished buildings were utilized for cover rather than those that were still standing. Tunnels were constructed under the debris for cover as well as for avenues of approach to hidden machine gun nests which were prepared at road level on exposed street intersections. The 156th Brigade commander told the observer that his brigade headquarters was established under the debris of a badly exposed area in the Woosung district but that Japanese artillery and aircraft confined their attentions to buildings left standing.

Defense Against Aircraft - Artillery. In addition to the Oerlikon infantry gun which was used for anti-aircraft purposes, special tripod mounts were prepared for machine guns. These mounts were high, making it possible for the gunner to work his piece from a standing position. They could be traversed for 360° and could be elevated to 90°.

Insufficient attention was given to the concealment of positions from air observation. The Japanese conducted a continuous air reconnaissance during which they probably carried out a good deal of photography. It is felt that only in the 5th Army were works so constructed that air photography might not disclose their location.

Few dugouts or bomb-proofs were constructed due largely to the scarcity of terrain that could be dug deeply into. Those that were seen were found deep down in various city walls. These could afford protection to about 10 men each and were about 15 feet from the surface of hard packed earth.

Trenches were constructed which secured good protection from air bombs and artillery fire. They were narrow and were built up in rear as well as in front. Unfortunately they were shallow due to the nature of the ground.

Defense Against Tanks. It is believed that it was fortunate for the Chinese that the terrain was such that it did not lend itself to tank maneuverability. Cut up as it was in the vicinity of Shanghai avenues of approach were narrow and few in number. In conversations with Chinese officers it was believed that they used the word for tanks often in referring to armored cars. It was not always established which vehicle they were speaking of. They expressed no fear of this type of weapon probably because it was used to such a small extent. The Chinese defended themselves against it in several ways. Six-inch trench mortar bombs, to which were attached a few hand grenades equipped with a string which made detonation possible from a distance, were buried just under the ground on the avenues of approach. These, when fired under the tank, were said to put it out of action, in certain instances even turning it over. Approaches were so narrow that in the attack several tanks or cars were obliged to move in column. In such attacks attention was paid only to the rearmost car which when disabled prevented the rapid withdrawal of those in advance, thus giving the defenders time to deal with the entire column. In directing machine gun or infantry gun fire at armored cars the observer was told that gunners were instructed to aim just below the body of the car. Successful results, it was said, were obtained from this method. Another defense method, believed to have been highly exaggerated in the telling, depended on the bravery of the individual soldier. He, armed with hand grenades, hid himself away in the debris flanking the avenue of approach. As the car or tank passed his position, the attention of the crew being engaged to the front, he was able to dash up close unobserved. Here he would try to place his grenades effectively through whatever ports he could find. Instances were cited when he would actually get on top of the vehicle to place his grenade. Some soldiers were said to be so careless that they were destroyed in the blast of their own bomb. It was believed that the Chinese in describing this last method were endeavoring to develop a story which would compare with that of the three Japanese engineers.

One general told the observer that 24 Japanese tanks or cars had been disabled during the Shanghai fighting. This number so closely approaching that of the Japanese total strengths in armored vehicles was of course greatly in error. However, it is believed that Chinese defense methods combined with favoring terrain largely neutralized the efforts of the Japanese to utilize this weapon in attack.

Use and Effectiveness of Machine Guns - Trench Mortars.

The observer was considerably surprised whem a battalion commander admitted that at the opening of hostilities in Chapei machine guns were utilized in rear to keep troops up in front. This was necessary only until the Chinese soldier discovered that he could stop the Japanese. Then he needed no urging to hold his position.

It is believed that knowledge of the use of machine guns varies considerably in the different Chinese units, as would be indicated in the discussion of the defensive position above. Generally the machine gun is used entirely for direct fire. Its uses in indirect fire and the selection of positions which will enfilade enemy approaches do not receive sufficient attention. It is doubted if the machine gunner himself is trained in the proper maintenance of his piece. The machine gun, in the Shanghai fighting, was effective but at great cost in casualties. Rather than selecting and using a number of alternate positions, which may have been difficult in Chapei due to so much street fighting, positions were permanent, gun crews were kept small in number, and were replaced as they became casualties.

The trench mortar is also a favorite weapon with the Chinese. Simplicity in its operation make it a most useful weapon in Chinese armies. Its daytime use in Shanghai was restricted by enemy air bombs and artillery fire. At night it came into its own and was used, according to report, with considerable effect. Positions were constantly changed in order to baffle the enemy as to its location.

Note: No notation is made in the organization chart of 6-inch trench mortars in the 5th Army. However, it is believed that they are a part of the organization and would probably be found in the regiment.

Marching.

It was reported by many different officers of the 19th Route Army that their troops could march 100 li (33 1/3 miles) a day, six days in the week. This was regarded as an exaggeration similar to that given as the range of mountain guns, destruction of enemy tanks and many others. One regiment of infantry was observed making a night march from Wei Ting to Taitsang. This march took two nights. They were seen marching along the railroad where their formation was two files, one on each side of the roadbed. There was much straggling and the column was very badly strung out. March discipline as known to American troops did not exist. The observer spoke to platoon commanders and enlisted men in column who always made use of the opportunity to fall out and chat before they resumed the march.

This march was not believed to be a fair test, however. Chinese armies have been known to make long and arduous marches successfully. With their light marching equipment and natural hardihood it is believed very likely that Chinese troops could outmarch those of Europe or America. The march observed was regarded very lightly. The regiment expected to fight on reaching Taitsang. Everyone from the colonel on down was very gay about it. It is possible that discipline may have been relaxed to keep the morale at its high level.

Foreign Instruction.

The influence of foreign instruction was very evident. Many of the officers of the 19th Army were Japanese returned students. The 5th Army has been under German tutelage for the last four years. In the 47th Division foreign influence was least noticeable. But even here officers were found who were graduates of Paotingfu Military Academy where Japanese instruction was in preponderance.

As to the actual presence of advisers in the operations around Shanghai, Chinese military officials always denied any such possibility. The observer believed that this was deliberate falsehood on the part of the Chinese. Once during a trip of observation in the 5th Army a foreigner believed to be a German was seen leaving headquarters. He was explained away as being the German military attache. Since there is no such person at present in China it was natural to presume that he was an adviser. The same sort of incident occurred in the 19th Army but it is believed that use of German technical advice was principally confined to the 5th Army.

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G-2 Report

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OFFICE CHIEF OF STAFF
MILITARY INTEL. DIV.
AUG 1932
2009-224
WAR DEPARTMENT

The Communist Forces

of the Soviet Republican Government of China.

(Source of Information - Propaganda Bureau of the National Military Affairs Commission, an organ of the Central Government at Nanking.)

(as of June 29, 1932)

RECEIVED G/2 W. D. AUG 1 1932

The capital of the Provisional Chinese Soviet Republican Government has been established by the communists at Juikin, southwest Kiangsi. At a Soviet convention a Central Standing Committee was appointed composed of the following Government officers:-

(1)	Foreign Affairs Commission,	Wang Chia-chiang, Chairman.
(2)	Military " "	Chu Teh, "
(3)	Finance Commission,	Tang Tse-hui, "
(4)	Land "	Chang Chang-chang, "
(5)	Educational "	Tsai Chiu-pai, "
(6)	Internal Affairs Commission,	Chow I-su, "
(7)	Judicial Commission,	Chang Kuo-shou, "
(8)	Civil Service Protection Commission (for the prevention of interference of military in administration),	Tang Tse-hui, "

The communist forces throughout China are reported organized into 6 armies. These armies are distributed as shown in the following table but should not by any means be considered as a unified force or under conditions approaching unity of command.

<u>1st Group of Armies under Chu Teh.</u>

<u>3rd Army</u> - Chow Chih-kun (Stationed at Tingchow, Changtai, Hsunching and Ningyuan, Fukien)

1st Division	Chen Po-chun
8th "	Lin Wu-jen
9th "	Hsu Tao-chu

(15,000 rifles, about 50 machine-guns)

<u>4th Army</u> - Lin Piao (Stationed at Tingchow, Lienchang and Ningyuan, Fukien)

10th Division	Lan Gan-chen
11th "	Wang Liang
12th "	Ou Ping Hao

(15,000 rifles)

<u>12th Army</u> - Lo Pin-hui (Stationed at Shanghang and Changting, Fukien)

34th Division	Chow Kun
35th "	Commander was killed in action.
36th "	Chang Tsung-hsun

(12,000 rifles, 35 machine-guns, 8 guns)

From M/A. China. Report No. 8332. July 7, 1932.

3rd Group of Armies under Ho Ying.

3rd Army - Ho Ying (Stationed at Hingcheng and Hungin, Hupeh).

15,000 rifles.

6th Army - Li Ming-jui

About 10,000 rifles.

2nd Group of Armies under Pang Tsu-hsui.

1st Army - Hsu Chi-shen (Stationed at Chaling, Liling and the Chuchow area, Hunan)

1st Division	Hsu Chung-yung
2nd "	Chang Ping-sheng
3rd "	Pang O

7th Army - Hung Tao (Stationed at the Chaling area, Hunan)

6th Division	
27th "	Liu Ho-shan
4th "	Hung Lin

(Total about 12,000 rifles)

4th Group of Armies under Hsueh Chi-hsun.

16th Army - Hung Ho-lung (Stationed at Sinchi and Shangcheng, Hunan).

7th Division	Hsiang Hung-sheng
8th "	Chang Shou
9th "	Yu Gun

(About 30,000 rifles, few machine-guns and trench mortars)

25th Army - Hsu Hsiang-chien (Stationed at Hsokiu, Changyang and Liuan, Anhwei)

1st Division	Chang Hsei-pi
2nd "	Hu Ju-sheng
3rd "	

(About 20,000 rifles. In addition, they have also captured a large quantity of arms and munitions from Chen Tiao-yuan's troops of the 1st Route Army)

5th Group of Armies under Wei Chen-tung. (Reported to have fled into mountains of Western Fukien)

13th Army	- Su Po-sheng
14th "	- Kai Chen-tang
15th "	- Huang Chung-yueh

(About 20,000 rifles. The above-mentioned Armies formerly belonged to Sun Lien-chung's forces)

6th Group of Armies under Chen Tung-shan. (South Kiangsi).

5th Army	- Wu Chung-hou
10th "	- Yang Yueh-pin
11th "	- Ku Ta Chuan

(about 22,000 rifles).

The other Independent units are as follows:-

1st Ind. Division	Liu Pei-jen	2000	rifles	Liuan, Anhwei
2nd " "	Hsung Chen-chiao	400	"	Hwaiyuan, Kiangsi
3rd " "	Hsung Yieh-chen	700	"	Lungchang, "
4th " "	Chang Chi	1000	"	" "
5th " "	Hsiao Ko	1000	"	Tuyungkuan, Hunan
6th " "	Fang Chih-min	1000	"	Fuchow, Kiangsi
7th " "	Wei Tien-chu	500	"	Lungpeisha, "
8th " "	Tuan Hsun-wang	500	"	Liuan, Anhwei
9th " "	Chen Chao	500	"	Kaihsi, Kiangsi
10th " "	Shao Wu-ping	3000	"	Shangrao, "
Special Service Division	Liu Hsun	500	"	Juikin, Kiangsi
Civil Service Protection Div.	Mao Tse-chung	200	"	" "

Totals:-

1st Group of Armies	42,000 rifles,	85 machine-guns, 8 guns
2nd " " "	25,000 "	
3rd " " "	12,000 "	
4th " " "	50,000 "	, few machine-guns and trench mortars
5th " " "	20,000 "	
6th " " "	22,000 "	
Independent Units	11,500 "	
Grand total	182,500	

These troops are not disposed to attack any strong well organized and equipped force of Government troops. When attacks are made on Government troops it is usually a surprise attack on relatively weaker forces. When threatened by a large force their tactics are to avoid combat and disperse into small groups, reassembling in some distant location.

Comment:

In arriving at the above total only armed effectives were considered.

W. S. Drysdale

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G-2 Report

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AUG 18 1932
2009-22
WAR DEPARTMENT
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CHINA (Military)

Subject: The Military Affairs Commission of the National Government

The National Government of China, established at Loyang, issued the following mandate on March 11, 1932:

The laws governing the organization of the Military Affairs Commission of the National Government are hereby promulgated as follows:

Laws Governing the Organization of the Military Affairs Commission of the National Government

(1) The Military Affairs Commission, being subordinate to the National Government, is the highest military organ in the country.

(2) The functions of the Commission are as the following:

(a) Attending to matters in connection with national defense and maintenance of internal peace and order.
(b) Attending to the drawing up of military rules and plans and to military education.
(c) Deciding upon the appropriations of military expenditures and the supply of arms and munitions.
(d) Attending to matters in connection with the organization, reorganization, mobilization and demobilization of a military force.
(e) Appointing and dismissing officers above the rank of lieutenant-general and officers above the rank of brigadier-general in command of an independent force.

(3) The Commission shall have a Chairman and 7 to 9 members selected by the Central Political Council and appointed by the National Government. In addition to the appointed members, the Chairman of the Executive Yuan, the Chief of the General Staff, the Minister of Military Affairs, the Director-General of Military Training, the Minister of Navy, and the Chairman of the Military Advisory Council shall also be members of the Commission. Among all the members of the Commission, 3 to 5 men shall be selected as administrative members to attend to the affairs of the Commission.

(4) The Chairman shall be held responsible for the issue of orders, etc. In regard to the management of other affairs, a meeting should be convened by its administrative members or members presided over by its Chairman. When a resolution has been passed at its meeting in regard to a certain matter, it will then be turned over to the department concerned for execution.

(5) A general office shall be established to attend to all affairs in the Commission in charge of a chief and an assistant.

CHINA (Military)

Subject: The Military Affairs Commission of the National Government

The Central Political Council during its 302nd meeting which was convened at Loyang on March 6, 1932, passed a resolution appointing the following chairman and members of the Military Affairs Commission of the National Government:

Chairman - Chiang Kai-shek

Members - Feng Yu-hsiang
Yen Hsi-shan
Chang Hsueh-liang
Li Tsung-jen
Chen Ming-shu
Li Lieh-chun, and
Chen Chi-tang

The following are the members by law as prescribed by paragraph (3) above:

Chairman of the Executive Yuan	Wang Ching-wei
Chief of the General Staff	Chiang Kai-shek(Chairman)
Minister of Military Affairs	Ho Ying-chin
Director-General of Military Training	Li Chi-shen
Minister of the Navy	Chen Shao-kuan
Chairman of the Military Advisory Council	Ho Ying-chin

Chiang Kai-shek, Chairman of the Military Affairs Commission, and Chu Pei-teh, chief of the general office established under paragraph (5) above, assumed their posts on March 18, and the office was formally opened for the transaction of business on March 21, 1932.

(Source: The source of the information contained in this report is a translation of an article appearing in the Ministry of Military Affairs Bulletin, March 1, 1932, and is believed to be correct.)

Comment: The Military Affairs Commission of the National Government is the highest and most powerful organ in China to-day. Although there has not to date been a meeting attended by all members, the participating members, to wit - Chiang Kai-shek, Wang Ching-wei, Ho Ying-chin, Li Chi-shen, Chen Shao-kuan and Chen Ming-shu, are formulating and supervising the military policy of the National Government of China.

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[redacted]-2 Report

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CHINA (Military)

Subject: Canton Government's Military Expenditure

RECEIVED G/2 W. D. NOV 10 1932

The following interesting figures in connection with Canton's military expenditure are given in a report purported to be an account of statements made by General Chen Chi-tang, Commander-in-Chief of the Southwestern forces:

Canton's Annual Military Expenditure	$51,468,000
Canton's Total Monthly Military Expenditure	4,289,000

The total monthly expenditure includes the following items:

1.	Monthly expenditure for payment of troops	$ 3,300,000
2.	Monthly expenditure to defray expenses of military organs and headquarters	550,000
3.	Monthly expenditure for Air Force	240,000
4.	Monthly expenditure for Navy	150,000
		$ 4,240,000

It will be noted that the total of the monthly expenditure as given above differs from the total given for the various items as sub-divided under separate heads by some $49,000.

Item number 2 above is reported to include the following:

Monthly expenditure for	Military Academy	$ 98,000
" " "	Arsenal	298,800
" " "	Tigris Forts	18,000
" " "	Military Hospital	53,194
" " "	Military Surveying School	36,900
" " "	Military Radio Stations	18,300
	Total -	$523,194

The total of the above itemization still leaves some $26,806 under item number 2 unaccounted for.

The report goes on to state that the original monthly appropriation for the Air Force was $330,000 and for the Navy $400,000, but that they had been curtailed to the amounts given under 3 and 4 above on account of the growing deficit in the military budget. In connection with this it is interesting to note that the monthly appropriation for the Air Force was only reduced $90,000, while the Navy was reduced $250,000. This is another indication of the fact that the military leaders throughout China are becoming air minded and intend to develop efficient and up-to-date air forces.

From M/A, China Report No. 8406 October 11, 1932

CHINA (Military)

Subject: Canton Government's Military Expenditure

The report further states that at the present time Canton is supporting three armies, four divisions, one brigade, three independent battalions, one special regiment and the gendarmerie; total payments for the troops being over $3,300,000 per month, which possibly accounts for the $49,000 not accounted for above.

General Chen's statement reveals that on account of financial difficulties the Canton Government has not been able for some time to pay the full amount regularly with the result that the pay of the troops is now four months in arrears and there is a deficit of $14,000,000 in the military budget that has still to be met. The Government is reported to still owe the Canton Chamber of Commerce over $3,000,000.

For the past seven or eight years military expenses have been a tremendous drain on the Kwangtung provincial treasury. During General Li Chai-sum's tenure of office as commander of the Kwangtung Provincial Forces the army expenditure reached $4,300,000 per month, but as a result of a reduction of the number of troops was reduced to $3,000,000 in 1929.

As a result of the addition of eight new battalions to the provincial army in the early part of 1930, by order of the Nanking Government, an increase of $230,000 was made. In June 1931 when the 1st Group Army was formed, resulting in the further increase of the military force, the total monthly expenditure was increased to $4,710,000 a month. A further reduction was made in the beginning of this year and up to the present time the monthly military expenditure has been approximately $4,200,000.

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MAR 20 1933

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Gen Report.

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ENGLAND (Military).

Subject: Estimate of Fighting Value of Chinese Soldier.

RECEIVED G/2 W. D. MAR 17 1933

General G.D. Bruce, 71 year old veteran of many wars, and a writer on many subjects, contributes an article on the above subject to the March 2nd number of "The Army, Navy, and Air Force Gazette". General Bruce raised in 1898 and commanded for six years The Chinese Regiment of the British Army at Wei Hai Wei; was severely wounded in the fighting around Tientsin in 1900; was Commissioner of International Police at Shanghai, 1907-14; in command of defense forces during Chinese revolutions, 1911 and 1913; was adviser to the Chinese Government on Police Affairs. His estimate of the value of the Chinese soldier should be of interest to the Far Eastern section. The article follows:

"Nothing could have exemplified more plainly the unfortunate position into which the League of Nations has been forced than the existing situation in the Far East. To call upon Japan to withdraw all her troops within the South Manchurian Railway zone only serves to illustrate the enormous gulf which still separates Geneva from actual realities in Manchuria. The ultimatum to Japan - for so it will be considered by the Japanese people - was, we are informed, brought about mainly through pressure by some of the minor Powers who have neither interests in nor competent knowledge of the trend of events in the Far East. Be that as it may, the result of this ultimatum is that the armed forces of China and Japan are at this moment facing one another in Jehol and on either side of the Great Wall of China with human passions - and these Oriental - inflamed to their utmost. Of the fighting value of the Japanese soldier there is no need to write. When Imperial Russia was driven out of Manchuria in 1905 by Japan, European military supremacy was definitely challenged by Asia. The Japanese people were called upon for supreme sacrifices. They responded without hesitation. In the minds of many Japanese a similar situation has again arisen. Well within the experience of the writer the Chinese soldier ranked in the scale of China's social life below members of the oldest profession in the world. Today, a generation of ceaseless, if intermittent, civil war has changed all that. The highest in China's social sphere now are proud to put on uniform, but to don a soldier's tunic does not, necessarily, make the wearer a soldier.

The first essential, as all the world now knows, is cannon-fodder. In this particular, China has the advantage over any nation. Just what proportion of her male population China can earmark it is not easy to say, for "conchies" and disability from ill-health are unknown factors. At the present time China's total force under arms is between 2,000,000 and 3,000,000. The Legislative Yuan at Nanking

From: M.A. London. Report No. 33549. Date: March 3, 1933.

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ONLY

not long ago passed - on paper - a conscription law to impose military service upon all males between eighteen and forty. Recruits are to serve for a period of twenty-one years, three terms of seven years each, with the Colors, in preparatory service, and with the reserve. That anything of the sort can be brought into force today in China is out of the question. But that enormous numbers could be so recruited, there is no denying. Out of a population which may be safely reckoned at not under 400,000,000 there should be sufficient cannon-fodder and to spare. If we allow that even 20,000,000 or 25,000,000 males are available for service as soldiers, China is in possession of prospective armies besides which the forces of any other power, or even of any other two powers combined, pale into insignificance. So much for the numerical superiority. Let us examine the individual.

At the time of the Boxer outbreak, the last occasion upon which Western nations were in actual conflict with China, the British War Office were trying out a novel experiment. It had been decided to raise one or more regiments at Wei-Hai-Wei composed of Northern Chinese. These were officered by British officers with carefully selected British non-commissioned officers to help them. The first of these regiments figured in the Army List for 1900 as "The Chinese Regiment" and once and for all it was conclusively shown during the Boxer outbreak that the Chinese soldier efficiently led by Europeans is second to no other Oriental troops. To the credit side of the Empress Dowager's "braves" we must place the fact that they were able to contain in Tientsin a force of between three and four thousand European troops, and, for a time at any rate, practically to besiege them. They defeated in open fight and drove back into Tientsin over two thousand other European troops under Admiral of the Fleet the late Sir Edward Seymour, who had made a hasty but gallant attempt to relieve the Legations at Peking. Chinese troops also besieged, in Peking, some hundreds of European and native Christians, including the European Legation guards. Opposed to their own countrymen and led by British officers and non-commissioned officers, the men of "The Chinese Regiment" took a prominent part throughout the severe fighting in and around Tientsin until the native city was taken. In the subsequent advance of the large Allied Forces upon Peking, where the actual fighting was of little account, "The Chinese Regiment" also took part, marching into the capital with the Allied Forces.

Among the chief assets possessed by Chinese soldiers when properly disciplined are their quite unusual marching powers, their ability to do with a comparatively small amount of transport, the fact that they can live almost solely upon rice, the absence of drunkenness, and the capacity of northern troops to stand almost any weather. Napoleon has told the world that "the first quality of a soldier is fortitude in enduring fatigue and hardship; bravery but the second. Poverty, hardship and misery are the school of the good soldier". If the experience of the last decade in China be allowed to count, then, indeed, has the would-be recruit been trained in the best of schools. He has endured to the full poverty, hardship and misery almost beyond human imagination.

Finally, mention should be made of that decisive factor in every war since the world began - leadership. With leadership, for present purposes, we may link staff work. The weakest link in the chain of armed forces, which China now possesses, has always been to find not those who will follow, but those who will accept responsibility and lead. Between Japanese and Chinese leaders there is a great gulf fixed. Japan has still successors to the indomitable commanders who grimly fought and conquered in the bloody attacks at and around Port Arthur, and elsewhere, during the Russo-Japanese War. In Chinese armies such men do not exist. Japanese leaders are trained in the sternest school of self-denial, of Samurai faith, and of such patriotism as Chinese officers have never known. There are, of course, brave men among all ranks of China's armies, but in modern war bravery alone without leadership to make the best use of it is not enough.

Last, but by no means least, comes the part which must be played in modern war by the staff of an army. A well-known European Chief of Staff has thus described the part it must play: "Though the art of war may still hold in reserve for some future Turenne, Condé, or Napoleon, those sudden inspirations of war-like genius - those lightning flashes that suddenly light up the tangled hosts and strike the foe at the very point needed to decide the fight - yet, there is in the case of actual warfare a task to be done of a totally different kind. I am referring to the preparation for war, the preparatory work of bringing into the field those huge forces that a nation will one day be called upon to set in motion. I am referring to that patient, earnest, ceaseless work that devolves upon the staff of an army". For China's armies no such staff exists; nor, by Chinese, is it within measurable distance of being created."

From: M.A. London. Report No. 33549. Date: March 3, 1933.

Cortlandt Parker,

CORTLANDT PARKER,
Lt. Col., F.A.,
M.A., London.

Copy to:
M.A. China.

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OFFICE CHIEF OF STAFF
MIL., INTEL. DIV.
JUL 14 1937
2009-233
WAR DEPARTMENT

DECLASSIFIED
E.O. 11652, Sec. 3(E) and 5(D) or (E)
OSD letter, May 3, 1972
By ..., NARS Date 4-17-73

June 12, 1937

Subject: Visit to Tsingtao

To: The Military Attache, American Embassy, Peiping

RECEIVED G/2 W. D. JUL 13 1937

1. Pursuant to your orders, the undersigned proceeded to Tsingtao on June 8, 1937, primarily for the purpose of investigating the recent transfer of a regiment of Salt Troops from Haichow to the vicinity of Tsingtao.

2. The Salt Troops in Tsingtao.

The 5th Regiment of the Ministry of Finance Customs Preventive Troops (財政部稅警第五團) arrived in the vicinity of Tsingtao by marching from Haichow about May 20th. This organization was sent to Tungkwan in January, 1937, at the time of the Sian trouble.

Immediately upon their arrival near Tsingtao, the Japanese authorities in that city, apparently principally at the instigation of the special agent of the Japanese Army in Tsingtao, one Major Yakagi, raised the cry that the presence of these troops was a threat to their safety. It was alleged that these troops were not only digging trenches, which might be construed as a hostile act toward the Japanese in Tsingtao, but had actually maltreated certain Japanese nationals in villages near the areas in which the forces were stationed. It was further alleged that the troops were actually a part of the Chinese second division, masquerading as Salt Troops.

While in Tsingtao I called upon the local head of the Salt Administration, and interviewed him at length concerning the Salt Troops. I also travelled by motor car over the area now occupied by these troops in company with Colonel Chiu, their commanding officer.

This regiment of the Salt Troops is now stationed along the road which has been constructed along the edge of the extensive area near Tsingtao in which salt is produced by the evaporation of sea water. The road was constructed primarily to prevent the smuggling of salt and has a ditch dug on the side adjacent to the salt pans. Along this road are constructed small barracks, surrounded by ramparted mud walls, in which detachments from a company to a squad are stationed. The barracks are located so as to afford a continuous view of the road from observation towers built inside the walls. The barracks are not fortified except for the mud walls, and because of their exposed location would be useless in warfare as strong points. Headquarters of the troops are at Mo Tien Ling.

The area occupied by the Salt Troops and the positions of the barracks are indicated on the attached map. Beyond the Ta Ku Ho, the road is held by Salt Guards, also under the Ministry of Finance, but not included in the Shui

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Ching Tuan. These guards have been stationed there for some time and there has been no recent change in their status. Stone landings for a ferry service are being constructed on the banks of the Ta Ku Ho. The road around the salt fields will, it is stated, eventually be extended to Haichow.

Colonel Chiu, commanding the Salt Troops, is a graduate of the Whangpoa Military Academy. He appears a well set up, straightforward, and efficient officer of considerable experience and good judgment. He answered all questions put to him freely, giving the impression of having nothing to conceal and being perfectly willing to tell the truth.

According to him and Mr. Wu, head of the Salt Administration in Tsingtao, the transfer of the 5th Salt Regiment to the vicinity of that city was solely for the purpose of preventing smuggling. Both stated that an independent battalion of Salt troops which had previously occupied the area was not sufficiently strong to prevent smuggling and that since the regiment had arrived there had been a very encouraging rise in the amount of salt tax collected. Colonel Chiu also stated that it had been considered advisable to transfer the independent battalion to Haichow for training, for which there had been no time while the organization was on smuggling prevention duty.

It was perfectly evident in travelling along the road that prevention of salt smuggling is difficult. In daylight it would not be easy for salt smugglers to cross the road, but at night constant and vigilant patrolling would be necessary, and even then it seemed to me that some salt would be likely to get through. Salt is sold at the fields for thirty cents Mex. a hundred catties, but the tax on this amount is over three dollars Mex., so that the temptation to smuggle is great. The same salt that sells for thirty cents a hundred catties at the fields retails at around five cents a catty.

Colonel Chiu stated that his mission was to prevent salt smuggling but that he would also do his best to curb other illicit trade, particularly drug peddling. He stated that he had attempted to stop the selling of drugs by Koreans in one of the villages near Tsingtao, but that no Japanese nationals had been arrested and neither had any been roughly handled.

He stated that his force was composed of men from a number of provinces, mostly Fukien and Hunan. He denied positively that they had ever had any connection with the 2nd Division, although there might of course be a few men in the ranks who had previously served in that unit.

The Salt Troops are armed with rifles, automatic rifles, and machine guns. I saw no artillery and Colonel Chiu laughingly stated that he had none, as it could not be used to advantage in smuggling prevention. I feel sure he told the

truth. He stated that they had some trench mortars, but I did not see any. According to him his force consisted of three battalions, total strength 3,500. The Salt Troops are well equipped, apparently well disciplined, and their barracks are carefully policed.

I saw no evidence of any trenches being dug except drainage ditches around the drill ground at the regimental headquarters at Mo Tien Ling. Colonel Chiu related with considerable satisfaction how he had told the agent of the Japanese Army in Tsingtao, who had called upon him to put many questions, that as a military man he should easily be able to see the difference between a drainage ditch and a trench.

From my interview with the head of the Salt Administration in Tsingtao and with Colonel Chiu, and from my inspection of the area occupied by the Salt Troops, I believe that they are there solely to prevent the smuggling of salt and to a certain extent of other goods. The force cannot in any way constitute a threat to the Japanese in Tsingtao, in view of the fact that the latter can land troops at will in any numbers from war vessels. It is entirely possible, however, that the Salt troops may have been sent as a feeler to test the Japanese reaction toward the presence of Central Government troops near Tsingtao, and also to remind both the Mayor of Tsingtao and Han Fu-chu that they are, in name at least, subservient to Nanking.

3. General Conditions in Tsingtao.

Tsingtao appears fairly prosperous. The American Vice-Consul informed me that business for both Chinese and foreign business firms was better than for some time past, although times could not be called exceptionally good. The Japanese cotton mills are running full capacity and constant expansion of this business is taking place.

Admiral Shen Hung-lieh is apparently giving Tsingtao an efficient administration. He has built many miles of new paved roads, and has erected a number of rural school houses which would be a credit to any country.

The Chinese are spending considerable money in and around Tsingtao on public works, particularly a new water supply system. This would make it appear that little apprehension is felt by the Chinese that the Japanese may take over the area.

4. Japanese-American Friendship Society.

This society, recently organized, has been making strenuous efforts to promote Japanese-American friendship. The motive behind the society is not fully understood, but the fact that the placing of the Japanese section of Tsingtao off limits for American soldiers last year has cost the Japanese

nationals considerable money may have something to do with it. The restricting of the area followed an incident in which an American sailor was alleged to have desecrated the Japanese flag.

The society recently entertained American naval and consular officers at a large sukiaki party and has also been promoting contests between the navy athletes and local Japanese teams. Commander Bennett, commanding the submarine flotilla now in Tsingtao, told me that he felt the efforts of the Society should be met half way.

5. General Conditions in Shantung.

The American Consul in Tsinan states that under the administration of Han Fu-chu, conditions are better in the province than they have been for some time. Han is apparently honest and hard working, if not particularly brilliant, and his frequent inspection trips do much to keep local officials on the job.

The Consul stated that as far as he could ascertain, there was no motive behind Feng Yu-hsiang's recent visit to Shantung other than the stated purpose to dedicate a monument at Taian. According to the Consul, Feng visited Tsinan to call on an old teacher of his, and apparently for no other purpose. Han Fu-chu, so it is reported, did not know of Feng's coming until shortly before his arrival, and had to hurry away from a dinner party to meet him.

The wheat crop along the Tientsin-Pukow Railway between Hopei-Shantung border and Tsinan appeared very poor, almost a total loss. The crops looked much better between Tsinan and Tsingtao.

David D. Barrett
David D. Barrett
Captain, Infantry
Assistant Military Attache

Encls: 1 map.

No. 9563
Office of the Military Attache, American Embassy, Peiping, China, June 16, 1937 - To: A.C.of S., G-2, Washington, D.C.

Approved.

Joseph W. Stilwell
Joseph W. Stilwell
Colonel, Infantry
Military Attache

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OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
JUL 31 1933
2009-233
RECEIVED G/2 W. D. JUL 29 1933 WAR DEPARTMENT

CHINA (Military) 47

Subject: Salt Troops

Commander: General Y. H. Wen (West Point 1909)

Troops:
4 infantry regiments
4 extra infantry battalions
1 battalion engineers
2 companies communication troops
1 company military police
1 company infantry guns (8 guns, 1½" cal.)

Strength:

Total strength	-	17,000	officers	and men
Infantry regiment	-	2,700	"	" "
" battalion	-	680	"	" "
" company	-	172	"	" "
M. G. "	-	135	"	" "

Organization:
Infantry regiment = 3 battalions
" battalion = 3 infantry companies & 1 M.G. company

Weapons:
Each infantry company is equipped with 9 automatic rifles.
The trench mortar company is equipped with French Stokes 81 m.m. mortars with a range of 3,000 meters, accurate to 2,700 meters.
Infantry companies are equipped with 7.9 m.m. German Mauser rifles, new.
Each M. G. company has 6 Hotchkiss 7.9 m.m. machine guns.
All troops are equipped with steel helmets.
The communication companies are equipped to connect regimental and battalion command posts with telephone service.

Personnel: Due to the influence of Mr. T. V. Soong, the Minister of Finance, under whose authority the Salt troops usually function, the policy of officering these forces with foreign, particularly American, returned students has been started. In addition to the commander, General Wen, the following returned students are members of this force:

Chun Mei-chao	- Norwich University	1928
Li Jen-sun	- V. M. I.	1926
Shao Fang-sun	- Norwich University	1926
Chih Ching-li	- St. Cyr	1927
Chih Wang	- West Point	1932

Source: Personal Observation.

COMMENTS: This force is primarily intended and was originally organized before the Manchu Dynasty for the prevention of smuggling of salt, a government monopoly in China. The troops are shifted to various localities in China as occasion requires to perform this mission.

From M/A, China Report No. 8609 July 3, 1933

CHINA (Military)

Subject: Salt Troops

The Salt troops as at present organized and commanded are considered one of the most efficient military forces in China. An increase in the strength of this organization may be expected in order more adequately to protect the government monopoly of salt, a monopoly that is threatened in certain districts by powerful groups of smugglers often operating under the "protection" of corrupt officials.

The control of this force is an important factor in the political ambitions of the present capable Minister of Finance, Mr. T. V. Soong.

W. S. Drysdale.
W. S. Drysdale
Lieutenant-Colonel, Infantry
Military Attache

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G-2 Report

~~TOP SECRET~~

6110

2 bncs

MILITARY INTELLIGENCE DIVISION
MIL. INTEL. DIV.
2009-238
WAR DEPARTMENT

APR 10 1935

6-1

CHINA (Military)

Subject: Chiang Kai-shek's Headquarters

(Diagram Attached)

RECEIVED G/2 W. D. APR 9 1935

A study of the organization of the Military Affairs Commission of which Chiang Kai-shek is Chairman reveals the multifarious activities, both civil and military, in which the Generalissimo and his associates are engaged. This headquarters, for some years past maintained at Nanchang, Kiangsi Province, officially opened at Wuchang, Hupeh Province, on March 1, 1935. As a result of the change of location of these headquarters and the activities incident to plans looking to a gradual reorganization of the military forces and rural rehabilitation measures effected, important changes in personnel and additional bureaus were organized.

The former headquarters at Nanchang was directly in charge of the military operations against the communist organizations then centering in the province of Kiangsi. As these military operations progressed it became increasingly apparent that important political and economic re-adjustments were necessary as adjuncts to the military plan formulated for the elimination of the Reds. While political and fiscal interests are invariably inseparable from the activities of the more powerful military groups, in the case of Chiang Kai-shek and his Military Affairs Commission the participation in purely political matters is as important and possibly more important to the ambitions and desires of the participating personnel than the purely military activities.

Chiang Kai-shek for seven or eight years has been able to exert tremendous pressure politically and during the last three years has become the most powerful individual (dictator) politically or otherwise in China. Fortunately for his anti-communist operations he was sufficiently powerful to bring about the political and financial reorganization that were so necessary in cleaning up the communist situation.

The present organization as shown on attached chart had been hastily effected while the headquarters was still at Nanchang. As the operations against the Reds in Kiangsi and Fukien succeeded in clearing the area of the large communist forces the headquarters was moved to Wuchang where Marshal Chang Hsueh-liang was already established as Assistant Commissioner of Bandit Suppression for the provinces of Hupeh and Honan. It was obviously inappropriate, at least to the Generalissimo, that two headquarters should function in the same locality. The result has been a complete merging of the Young Marshal's headquarters into that of the general headquarters. The Young Marshal, who has consistently supported the idea of a Central Government with unified political powers, has apparently made no objection to this reorganization. A study of the accompanying diagram and the important individuals included in the personnel of the organization discloses that the Young Marshal has been practically absorbed. He appears now as a virtual figure-head while Chiang Kai-shek's authority over the former Northeastern leader, his troops and his civilian personnel is progressing with startling effectiveness.

From M/A, China Report No. 9070 March 11, 1935

CHINA (Military)

Subject: Chiang Kai-shek's Headquarters

The general headquarters is divided into two main sub-divisions; one, the largest in point of personnel engaged, is concerned with the principal civil and military affairs of the Commission; the other with the important "personal" affairs of Chiang Kai-shek. The latter sub-division is staffed throughout by men who are supposedly thoroughly loyal to the Generalissimo and serving him alone. There can be no doubt that the activities of this sub-division are extensive and cover the entire field of national politics and finance.

It is believed that the activities of the 2nd Bureau of this sub-division are particularly important. The bureau chief and concurrently head of the strategy section is Chen Pu-lei, a native of Chekiang, graduate of the University of Chekiang, formerly editor in chief of the Shanghai Times, Vice-Minister of Education, a member of the Supervisory Committee of the Central Kuomintang and Vice-Minister of Home Affairs. He is thought to be especially interested in political propaganda.

The main sub-division, the only one with which the Young Marshal is personally connected, is concerned with the general activities, both political and military, of the Military Affairs Commission. Chiang Kai-shek is Director and the Young Marshal is Chairman of this sub-division, the latter being in charge during Chiang's absence. This sub-division is divided into three main groups, one dealing exclusively with civil affairs, one with purely military affairs, and another sub-division with activities in which both the civil and military sub-divisions are concerned.

The chiefs of both the civil (Secretary General) and military (Chief of Staff) departments are men who have been working with and loyal to Chiang for years past. The more important of these two personages is the Secretary General, Yang Yung-tai, who heads the department dealing with civil affairs. Yang is one of the leading spirits in the so-called political faction of the Kuomintang (see Report No. 8666). His situation near Chiang Kai-shek as Secretary General of the headquarters places him in a position of great strategical value in the political maneuvering of his faction within or without the Kuomintang. He can intercept all communications to or from the Generalissimo and thus be thoroughly informed as to the aspirations of each and every politician and of the policies advocated. He is generally credited with using his position to further the interests of his political friends and the group with which he is associated. Yang, a native of Kwangtung, has refused appointment to higher position in order to remain near the present seat of power. He is reputedly an able, active and intelligent (some say unscrupulous) official. It is significant that Yang also heads the bureau dealing with the vitally important matter of finance.

The Chief of Staff, General Chien Ta-chun, who heads the purely military department of the Commission, is a native of Kiangsu Province, was graduated from the Tokyo Military Academy, has been commander of the 1st Division of the 13th Army

CHINA (Military)

Subject: Chiang Kai-shek's Headquarters

Corps, the 32nd Army Corps and Garrison Commander of the Woosung-Shanghai area. He was the resident director of Chiang Kai-shek's previous headquarters at Paotingfu (recently closed). He is thoroughly loyal to Chiang and reputedly well above the average in intelligence and general ability.

The third sub-division, consisting of six bureaus and heading into both the civil and military sub-divisions, is believed to concern itself principally with a general reorganization of the army. The financial matters relating to this reorganization are probably the concurrent interest of the Secretary General, Yang Yung-tai. Reorganization projects other than financial are believed to be routed to the Generalissimo through the Chief of Staff. General Chen Cheng, who is in charge of the bureau dealing with troop or army reorganization, possibly the most important bureau of this sub-division, was recently field commander of the Central Government (Chiang Kai-shek's) forces operating in Kiangsi against the communists. He is a fellow provincial of Chiang Kai-shek, a graduate from the Paotingfu Military Academy, and loyal to the Generalissimo.

Attention is invited to the 6th Bureau, one of the four bureaus under Yang Yung-tai. This bureau was added as it became more and more apparent that political and economic adjustments were necessary if the communist menace was to be effectively stopped. This bureau is concerned chiefly with rehabilitation measures in general and especially with village and rural reconstruction. Chiang Kai-shek is taking a special and keen interest in this development and is advancing it with energy and funds available. In Kiangsi its work in the Red-devastated area is progressing with prospects of greatly improving the condition of the rural districts. This activity is extending to all the so-called communists or backward areas as they are brought under government control.

The only important bureau chief who could possibly be credited as being a former Chang Hsueh-liang adherent is the head of the relatively unimportant 3rd (General Affairs) Bureau under the Chief of Staff, General Mi Chun-lin, who was born in Fengtien, Manchuria, was director of the Mukden arsenal and later Quartermaster General of the Northeastern Armies.

It is believed that Chiang Kai-shek, by this reorganization, has considerably improved his position (already very strong) by absorbing the Young Marshal. A general reorganization of the former Northeastern Army is now being worked out that will change that force to six or eight divisions (possibly one or two independent brigades) and is designed to bring those divisions under Central Government (Chiang Kai-shek's) control.

The relatively more difficult task of reorganizing the remaining military establishments in China is being seriously studied. Reliable confidential sources state definitely that such a reorganization will begin upon Chiang Kai-shek's return

CHINA (Military)

Subject: Chiang Kai-shek's Headquarters

from Szechwan, which is expected to occur in a few months. Inspections and examinations are now taking place to ascertain the least valuable units and officer personnel with a view to their gradual elimination or absorption later.

While it is hazardous to predict developments in China, it is known that Chiang Kai-shek is keenly and personally interested in this army reorganization; that General von Seeckt, the German adviser, who reorganized the German Army after the Armistice, was employed principally to work out a plan for that purpose and that some reorganization has already been accomplished.

A brief biographical sketch of some of the important officials and a diagram of the organization is appended.

SOURCE: The information as to the diagramatic make up and personnel of the headquarters was obtained directly from important officials in the organization. The discussion and conclusions are wholly the opinion of the Military Attache arrived at through several years of personal contact with many of the personalities involved and of experience in China.

W. S. Drysdale

W. S. Drysdale
Lieutenant-Colonel, Infantry
Military Attache

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1 File

OFFICE CHIEF OF STAFF
MIC. INTEL. DIV.
APR 10
WAR DEPARTMENT
2009-23F
7

Ch'ien Ta-chun.
Born 1893; native of Soochow, Kiangsu. Graduate, Tokyo Military Cadets School. 1925, commander, Nationalist 1st Division. 1926-28, commander, 32nd Army; defence commissioner, Shanghai and Woosung. Commander, 13th Army, 1929. Reserve member, Kuomintang Central Executive Committee, since December 1931. Resident director, previous Paotingfu Headquarters of Chiang Kai-shek, 1934.

Yang Yung-t'ai.
Born 1880; native of Maoming, Kwangtung. 1913, 1916 and 1922, senator, 1920, civil governor, Canton. 1930-32, counsellor, National Government Headquarters. Chief secretary, Commander-in-Chief's headquarters, 1933. Councillor and secretary-general to the previous Nanchang Headquarters of Chiang Kai-shek, from 1932 up to the time it was closed.

Chen Pu-lei.
Born 1890; native of Tzehsi, Chekiang. Graduate, Chekiang Provincial College. Sometime editor-in-chief, China Times (Shanghai). 1931, Vice-Minister of Education; acting director of publicity, Central Kuomintang Headquarters. January 1932-March 1934, Commissioner of Education, Chekiang Provincial Government. Reserve member, Kuomintang Central Supervisory Committee, since December 1931.

Mi Chun-lin.
Born in Fengtien. Sometime director of the Mukden Arsenal. Later Quartermaster General of the Northeastern Army.

Kan Nai-kuang.
Born 1896; native of Tsenchi, Kwangsi. Graduate, Canton Christian College. Post-graduate work in U.S.A. and Europe. Active Kuomintang worker. 1927, chairman, Canton Municipal Government; December 1931 re-elected member, Kuomintang Central Executive Committee. Political vice-Minister of Interior, 1932. Author of treatises on the history of economic thought before the Ch'in Dynasty, some fundamental problems of the Kuomintang Party and an index to Dr. Sun Yat-sen's works. Member, Kuomintang Central Executive Committee since 1934.

Ch'en Chen-hsien.
Born 1877; native of Fatshan, Kwangtung. B. Sc. (California). Chin-shih of Imperial examinations. 1912-13, Minister of Agriculture and Commerce. 1918-21, senator, Professor of Economics and then Chairman, Customs College, 1927. Author of "A Historical Sketch of Chinese Astronomy and Astronomical Instruments", "Eclipses in China as recorded in 4,000 Years of Chinese History" and "Chen's Phonetic System."

Ch'en Ch'eng.
Native of Ch'ingt'ien, Chekiang. Graduate, Paotingfu Military Academy. 1929, promoted commander, 11th Division. 1932-1933, commander, 18th Army. Field Commander, Northern Route, Kiangsi-Kwangtung-Fukien-Hunan-Hupeh bandit suppression forces, since February 1934.

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G-2 Report

6110-Agencies of Central Govt.

CHIEF OF STAFF
MIL. INTEL. DIV.

CHINA (Military)

Subject: The Organization of the Ministry of Military Affairs

MAR 14 1934

2009-238

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The Military Affairs Commission, of which General Chiang Kai-shek is the Chairman, exercises complete and supreme control over military matters of the government, the routine administration being carried out under the supervision of the Chairman of the Military Affairs Committee or Council.

The Ministry is divided into five general groups or Administrations which in turn are divided and sub-divided into Departments and Sections respectively. The five Administrations are:

General Affairs Administration
Army Administration
Aviation Administration
Quartermaster Administration
Munitions Administration

GENERAL AFFAIRS ADMINISTRATION

This Administration is not divided into other departments but is composed of three Sections consisting of:

Document Section
Business Section
Social Affairs Section

ARMY ADMINISTRATION

This Administration consists of seven Departments, each Department being divided into smaller groups for administrative purposes which are the Section. The seven Departments are:

Department of General Affairs
Department of Personnel
Department of Military Service
Department of Ordnance
Department of Communication and Signals
Department of Army Medical Service
Department of Military Discipline

(a) The Department of General Affairs consists of four Sections:

Documents Section
Business Section
Statistics Section
Headquarters Battalion

(b) The Department of Personnel consists of three Sections:

Personnel Section
Inspection Section
Pensions and Rewards Section

From M/A, China Report No. 8755 February 6, 1934

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CHINA (Military)

Subject: The Organization of the Ministry of Military Affairs

(c) The Department of Military Service consists of five Sections:

Military Operations Section
Infantry Section
Artillery and Engineering Section
Quartermaster Corps
Remount Section

(d) The Department of Ordnance consists of four Sections:

Planning Section
Disbursing Section
Testing Section
Guard Details and Armament Depot

(e) The Department of Communications consists of two groups, the Administrative and Technical groups, divided respectively into four and seven Sections.

Administrative:

Business Section
Planning Section
Telegraphic and Communications Section
Transport Section

Technical:

Supplies Depot
Telegraph Office
Military Telephones Office
Military Wireless Station Administration
Repair Shops
Technical Troops
Technical Training School

(f) The Department of Medical Service consists of two groups of five and three Sections each:

Business Section
Medical Section
Sanitary Section
Medical Supplies Section
Veterinary Section

Sanitary Supplies Depot
Central Epidemic Prevention Service Hospital
Military Hospitals

(g) The Department of Military Discipline consists of four Sections:

Business Section
Judicial Executive Section
Military Prisons Section
Military Prisons

CHINA (Military)

Subject: The Organization of the Ministry of Military Affairs

In addition to the above and under the control of the Army Administration are the following schools and activities:

Army Medical School
Army Veterinary School
Home for Disabled Soldiers
Military Equipment Factory
Sanitary Supplies Factory

THE AVIATION ADMINISTRATION

This Administration is divided into eleven general Sections:

Documents Section
Business Section
Military Operations Section
Aeronautical Section
Educational System Section
Mechanical Section
Air Corps
Aviation School
Aviation Factory
Aviation Hospitals
Aviation Guards

QUARTERMASTER ADMINISTRATION

This Administration is divided into five Departments, one Miscellaneous Section and one Committee.

(a) The Department of General Affairs consists of three Sections:
Personnel Section
Business Section
Document Section

(b) The Department of Accounting consists of two Sections:
General Accounting Section
Disbursing Section

(c) The Department of Supplies consists of three Sections:
Blankets and Uniforms section
Foodstuffs Section
Equipment Section

(d) The Department of Construction consists of three Sections:
Planning Section
Construction Section
Camp Property Section

(e) The Department of Audit consists of two Sections:

Audit Section
Inspection Section

CHINA (Military)

Subject: The Organization of the Ministry of Military Affairs

(f) The Committee on Camp Property Disposition.

(g) The Miscellaneous Section mentioned above, consists of the following:

Commissary School
Blankets and Uniforms Factory No. 1
Blankets and Uniforms Factory No. 2
Foodstuffs Factory
Woolen Goods Factory No. 1
Commissary Depot
Engineering Office
Branch Commissary Offices

THE MUNITIONS ADMINISTRATION

This Administration consists of twelve Sections directly under the control of the Administration and are not divided into Departments. The Sections consist of:

Planning Section
Business Section
Testing Section
Inspecting Section
Ordnance Research Committee
Commission on Purchase
Arsenals
Factory of Military Engineering Supplies
Military Engineering School
Gunpowder Factory
Saltpeter and Sulphur Depot
Shanghai Steel Factory

In addition to the above listed Sections there is now in the process of organization another Section which will be charged with the training and development of officers and men for the purpose of guarding all property under the Administration.

Source: Chinese Government.

COMMENTS: As Chairman of the Military Affairs Commission, General Chiang Kai-shek is in complete control of the Ministry of Military Affairs. In spite of the intricate organization his influence and personal power are present in every office, no matter how small.

W. S. Drysdale

W. S. Drysdale
Lieutenant-Colonel, Infantry
Military Attache

JEM

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G-2 Report

6-1

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5900 GENERAL STAFF
MIL., INTEL. DIV.
APR 8 1936
2009-240
2
WAR DEPARTMENT

CHINA (Combat)

Subject: National Defense Policy Pertaining to Army, Navy and Air - General.

Conscription Law.

RECEIVED G/2 W. D. APR 7 1936

The following is a translation of the Conscription Law (Ping I Fa) promulgated by the National Government on June 17, 1933. By virtue of a mandate issued on February 29, 1936, the law came into force on March 1, 1936.

Article 1. The duty of military service for male citizens of the Republic of China shall be governed by this law.

Article 2. Military service shall be divided into the following two classes:

(1) Citizens' service (Kuo Min Ping I).
(2) Standing service (Ch'ang Pei Ping I).

Article 3. All male citizens between the ages of 18 and 45, when not in standing service provided for by this law, shall enroll in the citizens' service.

In time of peace, they shall receive prescribed military instruction. In time of war, they shall be conscripted by order of the National Government.

Article 4. Standing military service shall be divided into active, inactive and reserve service.

In time of peace, male citizens between the ages of 20 and 25, who have been examined and found qualified, shall enlist in active service for a period of three years, except non-commissioned officers (Shang Teng Ping) and various special units who shall be retired at the end of two years; and supply and transport troops who shall be retired at the end of six months.

Those who have retired from active service shall enlist in the inactive service for a period of six years. In time of peace and when on reserve, they shall attend prescribed military maneuvers; in time of war, they shall return to their camps upon the issue of an order of general mobilization.

Those who have retired from inactive service shall enlist in the reserve service. This shall begin from the date of transfer (from inactive service) till the age of 40 is attained. The duties of reserve service shall be identical with that of inactive service.

In areas where local autonomy is not yet completely enforced, male citizens of suitable age and qualification may voluntarily enlist in the standing army.

CHINA (Combat)

Subject: National Defense Policy Pertaining to Army, Navy and Air - General.

Conscription Law.

Article 5. The duration of service of the rank and file of the standing army may be prolonged in time of war.

Article 6. Affairs relating to military service and retired soldiers shall be placed under the joint control of the Ministries of War and Interior.

Article 7. Affairs relating to citizens' military instruction shall be placed under the joint control of the Inspectorate-General of Military Training and the Ministry of Education.

Article 8. In preparation for the enforcement of the provisions of the preceding two articles, the country shall be demarcated into divisional and regimental areas. In these areas the necessary organs shall be established for the administration of affairs.

The various local authorities and self-government (autonomous) organs shall have the responsibility to assist in the enforcement of the provision of the preceding paragraph, in accordance with the laws and ordinances of the State.

Article 9. Measures for dealing with the following affairs shall be decided upon by the various competent organs:

(1) Those relating to the conscription, retirement and return to camp of units of the standing army.

(2) Those relating to the service of the standing army.

(3) Those relating to the inspection of conscripts.

(4) Those relating to citizens' military instruction.

(5) Those relating to the determination of measures for the preparation, enforcement and service of citizens' conscription in time of war.

(6) Those relating to the control and assembling of the retired soldiers.

(7) Those relating to the administration of divisional and regimental areas.

Article 10. Measures governing exemption from the postponement of citizens' military service and standing military service shall be separately determined.

CHINA (Combat)

Subject: National Defense Policy Pertaining to Army, Navy and Air - General.

Conscription Law.

Article 11. Measures governing naval conscription shall be separately determined.

Article 12. The date for the enforcement of this law shall be fixed by mandate of the National Government.

Source: Government publication.

COMMENT: This new conscription law is supposed to become effective on March 1, 1936. As yet the plan is on paper only and there are not the means for carrying it out. General Chiang Kai-shek has announced that for the present it will be applied only to government employees in Nanking and then will be extended to other sections of the country. The law is vague on many points and will require considerable interpretation.

It is believed that Nanking is calling attention to this matter at the present time in order to pacify certain elements in China which are demanding a stronger stand against Japan. The actual efficacy of the new law is doubtful and it will take much time, effort and organization before results may be expected. The Japanese have announced through an official spokesman in their Embassy in Nanking that they are not particularly concerned over the new law as "it exists on paper only."

Joseph W. Stilwell
Colonel, Infantry
Military Attache

SVC

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1 File

G-2 Report

6010 - Military Establishment
Liability to Military Service
Replace Add 5-5

CHINA (Military) 4-1

MAR 27 1934

2009-2408

Subject:- Conscription Law

WAR DEPARTMENT,

RECEIVED G/2 W. D. MAR 27 1934

On the 17th June, 1933, the National Government promulgated the Conscription Law consisting of twelve articles as follows:-

(1) Each man of the Chinese Republic shall follow this Conscription Law when he commences his duties as a conscript.

(2) Conscripts are divided into two categories; namely, conscripts in active service and reservists.

(3) Each man between the age of 18 and 45, before being a reservist, shall first be a conscript in active service to receive the prescribed military training. In time of war he shall be called into military service by the National Government.

(4) Conscripts are required to serve for three periods of time. The first period of conscription is as follows:- Each man between 20 and 25 years of age, after having been examined and found fit to be a conscript, is required to serve in military service for a period of three years. Except serving as privates or other special kinds of soldiers, the rest are to serve for a period of two years; the transport private, for a period of half a year. The second period of conscription is for those who have finished serving the first period and the time is six years. They shall still receive military training at the prescribed time fixed for them. In time of war they shall return to military service. The third period of conscription is for those who have completed serving the second period and the period of serving is the same as for those of the second period of conscription, as alluded to above. The age limit is 40 years from the second period of conscription to the third period. In the district where the self-governing organ has not yet been established any man of qualified age, should he desire, can enlist as a conscript.

(5) The reserve conscript, in time of war, may be required to extend his period of service.

(6) All conscript affairs and matters concerning the reserve conscripts not in military service are under the administration of both the Ministry of Military Affairs and the Ministry of the Interior.

(7) Affairs relating to military education and training are to be under the control of both the Directorate-General of Military Training and the Ministry of Education.

(8) Regarding the execution of the last two Articles (Articles 6 and 7) the whole country shall be divided into division and regiment districts; each district is to have an official organ for the control of its affairs. All the government organs and self-governing bodies in each district should assist in the management of conscript matters.

From M/A, China Report No. 8771 February 24, 1934

G-2 Report

6010 - Military Establishment
Liability to Military Service.
Replace Add 5.3

CHINA (Military)

Subject: Conscription Law

(9) The following affairs are to be attended to by the respective government organs responsible for them:- (a) enrollment and examination of conscripts; (b) military education; (c) the mobilization of conscripts in time of war; (d) the control and gathering of reserve conscripts; (e) conscript affairs in each division and regiment district.

(10) Matters regarding exemption from service and deferment of enrollment of conscripts will be dealt with separately.

(11) The enrollment of conscripts for naval service will be dealt with separate from this Conscription Law.

(12) The date for the execution of this Conscription Law will be fixed later by a government order.

Source: Chinese Government.

COMMENTS: The promulgation of such a law as the above is an attempt to make compulsory military service and the impressing of coolies into such service as for transport legal. The need for its existence is very doubtful and its enforcement is very problematical. China's military service is not sufficiently modernized to warrant such a law. There is never a dearth of men for the armies. The limitation has been finances for their upkeep and the lack of proper cooperation and education amongst the responsible authorities for their training and employment.

W. S. Drysdale
W. S. Drysdale
Lieutenant-Colonel, Infantry
Military Attache

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MILITARY INTELLIGENCE DIVISION

WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHÉ REPORT CHINA

Country Reported On

Subject Who's Who - General Lung Yun I.G. No. 5990

Brief Descriptive Title

Source and Degree of Reliability:

Source: Press and study in this office.

Summarization of Report
When Required

A brief biography of General Lung Yun.

In Comments on Current Events Enter Item Headings Here

1. When and where born:

Born in a Heilolo tribe family in Chaotung, Yunnan Province, 1888.

2. Education:

There are two versions regarding the amount of education General Lung has received:

a. Never had any education. Born in an aborigine family, he was a total stranger to the Chinese language during the early years of his life. However, through many years of military and political life, he had acquired a fair proficiency in the Chinese language by the time he rose to power in that province in 1928.

G-2 Distribution: 4, OIB 5, Stab 6, Ave

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From M. A. CHINA Report No. 9942 Date October 28, 1940

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U. S. GOVERNMENT PRINTING OFFICE 16—14547

b. The more or less official biography of General Lung Yun states that he was a graduate of Chiang Wu T'ang (Institute for Military Instruction) in Yunnan of the class of 1912.

It may be reasonably presumed that Lung entered the military school at about the age of maturity when his command of the Chinese language might have already qualified him for admittance.

3. Outstanding accomplishments:

As Lung Yun's career had been almost entirely confined, until the outbreak of the Sino-Japanese hostilities in 1937, within the domains of Yunnan Province, there was hardly anything very remarkable about him, except that out of a few minor armed conflicts in rivalry for the supreme control of the province, he finally, in 1927, got the upper hand and thereby won a commission as Chairman of Yunnan Provincial Government the ensuing year. It was mainly due to him that Yunnan Province was not denied to the vast horde of refugees including students; that the national currency, banks and other institutions were allowed to be established there; that the control of foreign trade, communications and other rights was transferred from his personal monopoly to the Central Government and that he permitted a large portion of his troops to join the war.

4. Present posts:

Chairman of Yunnan Provincial Government since 1928, director of the Generalissimo's Field Headquarters at Kunming since January, 1940.

5. Political affiliations:

Prior to the outbreak of the war, Lung Yun, as ruler of Yunnan, was a strict disciple of political and economic isolationism, not unlike General Yen Hsi-shan in Shansi. His relationship with the Central Government was to all intents and purposes a nominal one, but since the outbreak of the war his attitude has changed materially in many respects. This change is said to be due to the efforts of some of his able lieutenants, such as General Lu Han (commented upon in G-2 Report No. 9925), who are better educated and more enlightened in world affairs.

6. Personal characteristics:

A foreign source who knows Lung Yun and his family characterizes him as follows: "shrewd and clever, though neither educated nor intellectual. Gracious, affable and unassuming in manner toward guests but sometimes impulsive and arbitrary to his subordinates."

7. Past career:

Joined the army in 1912 and participated in the campaign against Yuan Shih-kai; commander of 3d Chien Kuo Chun (National Construction Army) 1921; commander of the 5th Chien Kuo Allied Army in 1925; defense commissioner of Kunming, 1926; joined the Northern Expeditionary Army in the spring of 1927; made a member of Military Council; commander of the 13th Route Army of the National Revolutionary Army; commander of the 38th Army in 1927; commander of the 10th Route Army of the Anti-rebel Expeditionary Army; chairman of Yunnan Provincial Government since 1928, and concurrently commander of the 2nd Route Army of the Communist Suppression Forces.

William Mayer
Lieut. Col., Field Artillery
Military Attache

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MILITARY INTELLIGENCE DIVISION

WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHÉ REPORT CHINA

Country Reported On

Subject Who's Who - Mr. K. P. Chen **I.G. No.** 5990

Brief Descriptive Title

Source and Degree of Reliability:

Press and study in the Military Attache's office.

Summarization of Report

When Required

A brief biography of Mr. K. P. Chen (Chen Hui-te)

In Comments on Current Events Enter Item Headings Here

[redacted]

1. When and where born:

Born at Chinkiang, Kiangsu Province, 1880.

2. Education:

Studied at St. John's University, Shanghai before sailing for the United States, where he attended the University of Pennsylvania as a student of commerce. He graduated from that school in 1909 with the degree of B.C.

3. Political affiliations:

A banker by profession, he is not affiliated with any political party in China. As far as available information indicates, his

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From M. A. CHINA **Report No.** 9934 **Date** September 30, 1940

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political career started in September, 1933 when he, among many other noted scholars and industrialists of the country, was invited by the National Government to be the chairman of the Cotton Industry Regulation Committee of the National Economic Council. Made a trip in 1936 and several others 1937-40 to America as China's delegate on financial missions.

4. Social status:

High. A brilliant and far-sighted banker and industrialist. The Shanghai Commercial and Savings Bank and the China Travel Service, which he founded and managed, are classed among the leading and most influential business concerns in China.

5. Important Private and Government Activities:

Private: Shortly after his return from America in 1909, he organized the Kiangsu Provincial Bank and became its first manager. Founder of the Shanghai Commercial and Savings Bank, of which he was the managing director since 1915, and later of the China Travel Service, a unique Chinese-owned and managed business of its kind in China.

Government: Was appointed chairman of the Cotton Industry Regulation Committee of the National Economic Council in 1933. In 1936 went to the United States as leader of a Chinese delegation to negotiate the silver purchase agreement between China and the United States. After the outbreak of the present Sino-Japanese hostilities, was sent out to America by the National Government as China's financial representative, in which capacity he was given the credit for having successfully negotiated three loans in favor of China to the amounts of twenty-five, five, and twenty million dollars gold. He shared the credit with T. V. Soong for the recently announced credit loan of twenty five million dollars in U.S. currency granted China by the American Import and Export Bank.

6. Position with respect to the international and external relations of China:

He was classed by the Japanese-dominated newspapers in North China as a supporter of T. V. Soong and H. H. Kung's faction whose policy it is to lean on European and American countries for assistance during the hostilities against Japan. Be that

as it may, his post as China's financial representative to the United States and the few credits he successfully arranged for his government tend to show his position with respect to the international relations of the National Government of China.

7. Attitude toward the foreign powers, the U.S.A. in particular:

Very friendly toward America.

Note: Mr. Chen is now in Kunming apparently not active in further government financial negotiations in the United States.

William Mayer
Lieut.Col., Field Artillery
Military Attache

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MILITARY INTELLIGENCE DIVISION
WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHÉ REPORT China

Country Reported On

Subject Who's Who - General Fu Tso-yi

Brief Descriptive Title

I.G. No. 5990

Source and Degree of Reliability:

Press and study in the Military Attache's office.

Summarization of Report
When Required

A brief biography of General Fu Tso-yi.

In Comments on Current Events Enter Item Headings Here

1. When and where born:

Born in Jungho, Shansi Province, 1895.

2. Education:

Graduated from Paoting Military Academy, 1917

3. Outstanding accomplishments:

First distinguished himself as an able officer in the Shansi Army (under General Yen Hsi-shan now commanding the military operations in the second war zone in Shansi and Suiyuan) in 1926 for the defense of Tienchen in northeastern corner of Shansi Province against the persistent attacks of the Kuominchun troops. During the Nationalist Northern Punitive Campaign in 1927, he displayed unusual skill and endurance in the defense of Chochow in Hopei Province, when the city was attacked by the northern Army under the late Marshal Chang Tso-lin with a force overwhelmingly superior in number and equipment. Principally for this battle, he was promoted the following year from divisional to army corps commander by the National Government. Since the outbreak of the current Sino-Japanese war, he was entrusted with the defense of Suiyuan. He

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WAR DEPARTMENT
OCS Form 17

U. S. GOVERNMENT PRINTING OFFICE 16—14547

was responsible for the alleged gallant resistance put up by his troops in western Suiyuan last March, when a concentrated Japanese drive to Ninghsia was halted and repulsed wi with heavy losses, for which feat, he was, according to a Reuter report from Chungking on April 6, 1940, decorated by the National Government with a Blue Sky Medal, a high honor for military achievements.

A soldier of unusual calibre.

4. Present posts:

Chairman of Suiyuan Provincial Government since August 1931 and commander of the Chinese forces operating in the western part of Suiyuan Province.

5. Political affiliations:

Was formerly a supporter of General Yen Hsi-shan in Shansi and was much relied upon by the latter during the many civil war campaigns in which General Yen Hsi-shan took a part.

He was loved and respected by the people for the highly conscientious manner in which he executed his duties as a civil administrator.

6. Past career:

Shortly after graduating from Paoting Military Academy, joined the Shansi Army as a junior officer. In 1926 was a brigade commander of the 4th Shansi Division, and was promoted in the same year to command the 4th Division. In 1928 was appointed commander of the 5th Army and concurrently Garrison commander of Tientsin. After the wholesale reorganization of the Chinese Army units by the National Government, was made commander of the 12th Provisional Division, which was reorganized, November the same year (1928), into the 43d Division. In 1930, was commander of the 10th Army, which was reorganized first into the 7th and later the 35th Army. In 1934 was field commander of the 7th Army Group.

William Mayer
Lieut.Col., Field Artillery
Military Attache

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MILITARY INTELLIGENCE DIVISION

WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHÉ REPORT CHINA

Country Reported On

Subject Who's Who in National Defense

Brief Descriptive Title

I.G. No. 5990

Source and Degree of Reliability:

Press and study in this office.
Reliability: good

Summarization of Report
When Required

A brief resume of General Hsueh Yueh's biography, and the part he is playing in the present Sino-Japanese military operations.

In Comments on Current Events Enter Item Headings Here

1. When and where born:

Lochang, Kwangtung Province, 1896.

2. Education:

Graduated from a military academy in Kwangtung (?) Province.

3. Outstanding accomplishments:

As commander of the 9th War Zone, is directing military operations in Central China - north Hunan and Kiangsi. Was credited by some sources for the Chinese victory achieved in north Hunan in October 1939 where the headlong Japanese drive on Changsha, capital of Hunan, was halted and repulsed with heavy losses. After many years of service in the Nationalist forces, he distinguished himself as an army corps commander during the Communist suppression operations in Kiangsi in years 1933-35 and after the collapse of the Red regime in Kiangsi, he commanded the Second Route Army of the Central Government troops in pursuit of the Communist troops from Kiangsi to Yunnan.

4. Present posts:

Commander of the 9th War Zone and concurrently chairman of the Hunan Provincial Government.

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From M. A. China Report No. 9926 Date August 22, 1940
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WAR DEPARTMENT
OCS Form 17

U. S. GOVERNMENT PRINTING OFFICE 16—14547

5. **Political views:**

A supporter of General Chiang's war of resistance against Japanese aggression. Was generally considered as one of the "youthful commanders" of the Central Government forces.

6. **Past career:**

Was appointed in 1925 vice commander of the Left Wing column of the Kwangtung Army. When General Chiang Kai-shek started the northern Punitive campaign in 1926, he was given command of the 1st Division. Transferred as commander of the 2nd Division, 1928 and concurrently served as garrison commander of Nansiung, Shaokuan and Lienkiang in northern Kwangtung. In 1933 was commander of the 6th Route Army operating in Kiangsi against the Communist troops. In 1935 commander of the 2nd Route Army and concurrently Pacification Commander of Kweichow Province.

For and in the absence of the Military Attache:

F. P. Munson

F. P. MUNSON
Captain, F.A.
Assistant Military Attache

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MILITARY INTELLIGENCE DIVISION

WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHÉ REPORT CHINA

Country Reported On

Subject Who's Who in National Defense I.G. No. 5990

Brief Descriptive Title

Source and Degree of Reliability:

Press and study in this office.
Reliability: good.

Summarization of Report
When Required

A brief account of General Lu Han's biography and his photograph

In Comments on Current Events Enter Item Headings Here

1. When and where born:

   Chaotung, Yunnan Province, 1908

2. Education:

   Graduated from Yunnan Military Institute.

3. Outstanding accomplishments:

   First won fame as an able commander in 1935 when the Yunnan provincial troops under his command successfully repulsed the attempt of the Communist troops to drive on Kunming, capital of the province. Shortly after the outbreak of the Sino-Japanese hostilities, his troops were ordered out of Yunnan Province to Shantung. He ably discharged his duties as an army corps commander in the spring, 1938 in the battle of Taierchwang in south Shantung.

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From M. A. China Report No. 9925 Date August 22, 1940
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Classification

WAR DEPARTMENT
OCS Form 17

U. S. GOVERNMENT PRINTING OFFICE 16—14547

4. Present posts.

Commander of the First Group Army and concurrently member of the Yunnan Provincial Government.

5. Political views:

Was close to General Lung Yun, chairman of Yunnan Provincial Government. According to some sources, he contributed much towards improving the relationship between Yunnan provincial administration and the National Government, for until after the outbreak of the Sino-Japanese war the former had been generally considered as virtually independent of the latter.

6. Past career:

Commander of the 98th Division in 1931. In 1933 was appointed commander of the 10th Route Army, commanding all the troops in Yunnan. In 1937-38 commander of the 60th Army Corps.

For and in the absence of the Military Attache:

F. P. Munson

F. P. MUNSON
Captain, F.A.
Assistant Military Attache

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G-2 Report 5990

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OFFICE CHIEF OF STAFF
MIL., INTEL. DIV.
2009-244
WAR DEPARTMENT

CHINA (COMBAT)

Subject: Who's Who in National Defense

General Lu Chung-lin

1. When and where born:

Born in Tinghsien, Hopei Province, 1883.

2. Outstanding accomplishments:

Is responsible for the continued guerrilla activities behind the Japanese lines in central and southern Hopei, since 1938.

3. Present posts:

Commander of the Chinese guerrilla forces in Hopei and concurrently chairman of Hopei Provincial Government.

4. Political views:

Walking in the footsteps of General Feng Yu-hsiang, whom he formerly ably assisted in organizing the now defunct "Kuominchun" (Army), is now a supporter of General Chiang Kai-shek for the present cause.

5. Attitude toward foreign powers:

Unknown.

6. Past career:

Entered army service at an early age. After many years of service, became successively

From: M/A China Report No. 9894 June 6, 1940

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garrison commander of Peking, military governor of Chahar, commander of the East Route of the Northwestern Army (Kuominchun). In 1927, joined the Nationalist Revolutionary Army and was appointed acting chairman of Hopei, minister of war, and member of the Central Executive Committee.

Source: Press and study in this Office.

William Mayer
Major, Field Artillery
Military Attache

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OFFICE CHIEF OF STAFF
MIL., INTEL. DIV.
JUL 26 1940
WAR DEPARTMENT

Morris 2009-244

CHINA (COMBAT)

Subject: Who's Who in National Defense

Mr. Shao Li-tzu

RECEIVED G/2 W.D. JUL 24 1940

I. When and where born:

Born in Shaohing, Chekiang Province, 1883.

2. Political affiliations:

Member of Tung Meng Hui and Kuomintang, the former being the predecessor of the latter.

3. Education:

A scholar of Chinese classics. After passing the civil examination conducted by the Imperial Court of Manchu Dynasty, was awarded "chüjen" degree.

4. Important government activities:

Was appointed by the National Government in April, 1940 Chinese ambassador to Moscow, but, according to a Domei report, did not proceed to his post until the end of May.

5. Social status:

A journalist of good repute in Shanghai prior to the Nationalist Revolution in 1924.

6. Positions with respect to the international problems and external relations of his country:

Was interested in bringing about a closer understanding between China and the U.S.S.R. It is said that during his visit to U.S.S.R. fourteen years ago, he "was impressed by the hard working spirit of the Soviet people in building up their country." He was classed by the Japanese-dominated newspapers in North China as one of the pro-Soviet officials of the National Government at Chungking.

7. Past career:

Sometime editor-in-chief of Min Kuo Jih Pao, Shanghai. Chief secretary in the Generalissimo's Headquarters. Member of Kuomintang Central Supervisory Committee, 1926. Member of the

From: M/A China Report No. 9893 June 6, 1940

RESTRICTED

Central Political Council, 1928. Chairman of Kansu Provincial Government, 1932. Chairman of Shensi Provincial Government, July 1933-1937. Director of Central Publicity Committee, Central Kuomintang Headquarters, 1937-8.

Source: Press and study in this Office.

William Mayer
Major, Field Artillery
Military Attache

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G-2 Report

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JUN 8 1940
OFFICE CHIEF OF STAFF
MIL., INTEL. DIV.
WAR DEPARTMENT

2009-244

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CHINA (COMBAT)

Subject: Who's Who in National Defense

General Wei Li-huang

RECEIVED G/2 W. D. JUN 6 1940

1. When and Where Born:

Born at Hofei, Anhwei Province, 1897.

2. Education:

Graduated from the National Military College in Nanking.

3. Outstanding Accomplishments:

Rendered distinguished services, first in Kiangsi and later on Hupeh-Honan-Anhwei borders, during the Communist suppression campaign in the years of 1931-36, for which he was promoted from divisional to army commander. Credit was given him, in the present Sino-Japanese war, for persistently upholding Japanese efforts to drive to the Yellow River along Tungpu Railroad in Shansi and to occupy Tungkuan.

4. Present post:

Commander of the First War Zone, with headquarters at Loyang, Honan, and also of the 14th Group Army. Is concurrently Chairman of Honan Provincial Government.

5. Political Views:

A supporter of General Chiang's war of resistance against Japan and a strong sympathizer of the "scorched earth" policy. Author of "Speeches on the War of Resistance".

From: M/A China Report No. 9869 May 1, 1940

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6. **Attitude toward Foreigners in General and Americans in Particular:**

Unknown.

7. **Past Career:**

Commander of 45th Division, 1930; of 10th Division, 1931; and of 14th Army, 1933. Border Defense Commissioner for Honan, Hupeh and Anhwei Provinces during the Communist suppression campaign in Central China 1931-36. Since the outbreak of the present Sino-Japanese war, he first fought near Peiping and then in Shansi as Vice Commander of the Second War Zone, assisting General Yen Hsi-shan the commander.

Source: Press and study in this office.

WILLIAM MAYER
Major, Field Artillery
Military Attache

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2009

CHINA (COMBAT)

Subject: Who's Who in National Defense

General Ma Pu-fang

RECEIVED G/2 W. D. MAY 7 1940

1. When and Where Born:

Born at Linghsia, Kansu Province, 1903 (of Moslem family).

2. Education:

Graduated from the Officers' Training Corps of Chinghai.

3. Outstanding accomplishments:

Assisted the National Government in suppressing a rebellion staged in Kansu and Sinkiang Provinces by a young Moslem commander, Ma Chung-ying, in 1933-4.

4. Present Posts:

Chairman of Chinghai Provincial Government; Garrison commander of Southern Chinghai; Commander of the 82d Army and concurrently of the 100th Division (Moslem troops).

5. Political Views:

A supporter of the National Government.

6. Attitude toward Foreign Powers:

Unknown.

7. Past Career:

Vice Commander of the 77th Brigade of the 26th Division; Commander of the 77th Inde-

From: M/A China Report No. 9865 April 4, 1940

RESTRICTED

pendent Brigade of Chinghai Army; of the 4th Mixed Brigade of Chinghai; of the Provisional First Division of the 9th Army; Commander of the Newly Organized 9th Division and later of the Newly Organized 2d Army. The 2d Army was later reorganized into the present 82d Army, of which he remained as commander.

Source: Study in this Office.

F. P. Munson

F. P. MUNSON
Capt., F.A.,
Assistant Military Attache

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WAR DEPARTMENT

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CHINA (COMBAT)

Subject: Who's Who in National Defense

General Yu Han-mou

RECEIVED G/2 W. D. MAY 7 1940

1. When and Where Born:

Born at Kaoyao, Kwangtung Province, 1895.

2. Outstanding Accomplishments:

Was instrumental in overthrowing General Chen Chi-tang's rebellion against General Chiang Kai-shek and the National Government in 1936.

3. Present Post:

Deputy commander of the 4th War Zone (Kwangtung and Fukien); commander of the 12th Group Army consisting of the 62d, 64th, 65th, 66th, and 83d Armies (Kwangtung troops). Was co-responsible with General Chang Fa-kuei for the stiff resistance the Chinese forces put up in northern Kwangtung during the present Sino-Japanese hostilities.

4. Political Views:

Supporter of General Chiang Kai-shek and the National Government.

5. Attitude toward Foreign Powers:

Friendly to the United States and Great Britain.

6. Past Career:

After many years of service in the Army, he rose to the command of the First Army of

From: M/A China Report No. 9864 April 3, 1940

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Kwangtung Provincial Force in 1935 under General Chen Chi-tang. During General Chen's uprising against the National Government in 1936, he supported the Central Government and flew to Nanking to pledge his loyalty. After the collapse of General Chen's movement, he was appointed commander of Kwangtung forces and concurrently Pacification Commander of Kwangtung.

Source: Study in this Office.

F. P. Munson
Capt., F.A.,
Assistant Military Attache

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RECEIVED G/2 W. D. MAR 11 1940

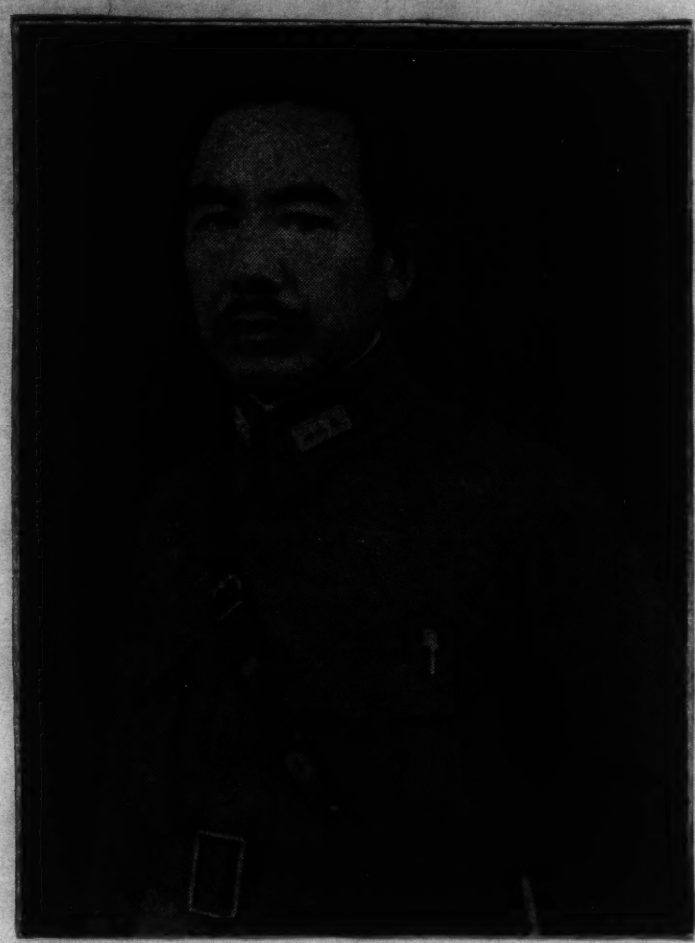
CHINA (Combat)

9-2009-244

Subject: Who's Who in National Defence

WAR DEPARTMENT

General Sheng Shih-tsai



1. Birthplace: Mukden

2. Education:

Studied military science in Japan.

3. Outstanding accomplishments:

None except a minor victory won over a local Moslem leader in Sinkiang in 1933.

4. Present post:

Sinkiang Border Defence Commissioner and concurrently member without portfolio of the Sinkiang Provincial Government. The actual ruler of the province.

5. Political views:

Was a section chief in the Generalissimo's headquarters in 1932. Because of differences with the Nanking authorities, he gave up this post to become military adviser to the governor of Sinkiang, a much lower position. Since then

From: M/A China Report No. 9853 January 5, 1940

RESTRICTED

he has gained in power and his position astride of the Soviet-China munitions route makes him most important. Up to the time of the "China Incident" he and the Chinese National Government were at loggerheads and at one time the Central Government had prepared an expedition to oust General Sheng. However, since the war his cooperation with Chinese government has been good and is likely to so continue as long as the present Sino-Soviet relations remain.

6. Attitude toward foreigners in general and Americans in particular:

Anti-Japanese; pro-U.S.S.R. Attitude toward America and Americans - normally friendly.

7. Past career:

Served in the Northeastern Army first under General Kuo Sung-ling (who rebelled against the late Marshal Chang Tso-lin in 1925) and later under General Chang Hsueh-liang. Joined the Nationalist Revolution and became a staff officer in the Generalissimo's Headquarters. Chief of a section in the Headquarters of the General Staff. Went to Sinkiang upon invitation of the governor of that province (Chin Shu-jen), where he as a man of modern military knowledge helped in reorganizing the Sinkiang troops. In 1932-3 he secured the help of about 8,000 Northeastern troops repatriated from Manchuria through Siberia in defeating a Moslem leader Ma Chung-ying. This victory raised him to power and has remained to be the actual ruler of Sinkiang ever since.

Source: Study in this office.

For and in the absence of the Military Attache:

F. P. Munson

F. P. MUNSON
Capt., F.A.,
Assistant Military Attache

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OFFICE CHIEF OF STAFF
MIL., INTEL. DIV.
MAR 11 1940
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WAR DEPARTMENT

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CHINA (Combat)

Subject: Who's Who in National Defence

General Yeh Ting

RECEIVED G/2 W. D. MAR 11 1940

1. When & Where Born:

Born in Waiyang, Kwangtung Province, in 1898.

2. Education:

Graduated from the Kwangtung Military School, 1914 after completing a two-year course. Attended the Hupeh Military School 1914-16. Finally graduated from Paoting Military College in 1919. (General Yeh also studied in Waichow (Waiyang) Agricultural School, 1911.

3. Outstanding accomplishments:

In 1926-7 he distinguished himself as an able soldier during the Nationalists' Northern Expedition when he commanded part (24th Division) of the famous "Ironsides", the 4th Army. His troops mutinied in 1927 in Kwangtung and joined the activities of the Communist troops in Central China later.

4. Present post:

Commanding general of the New Fourth Route Army (Communist) now actively operating against the Japanese forces in the lower valley of Yangtze River.

5. Political views:

Joined the Communists in 1927 and mutinied with his troops. Since then was at variance with the National Government.

From: M/A, China Report No. 9846 January 23, 1940

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6. Atttitude toward foreigners in general and Americans in particular:

Anti-Japanese of course; pro-U.S.S.R. Attitude toward America and Americans - normally friendly.

7. Past career:

Was commissioned to the 9th Division for service after graduation from the Paoting Military College in 1919; company commander in the Kwangtung Provincial Army, 1921; commander of the 2d Battalion of the Guards Regiment of the Generalissimo's (Dr. Sun Yat-sen) Headquarters at Canton, 1922; chief of staff and concurrently commander of the 1st Battalion of the Kwangtung Gendarmerie, 1923; chief of the staff office of the 4th Nationalist Army, 1925; participated in the Nationalists' Northern Campaign as commander of the 24th Division, 1926. The following year he joined the Chinese Communists and staged a mutiny at Lufeng, Kwangtung. This happened (in 1927) when as part of the 4th Army (the so-called Chinese "Ironsides" under General Chang Fa-kuei), General Yeh Ting's division rebelled in Kiangsi while en route to the rescue of Tang Sheng-chih. His division together with Ho Lung's troops (now a divisional commander in the 8th Route Army) marched south and eventually occupied Swatow. After being dispersed by the Nationalist troops, he had been working with Chu Teh, leader of the Chinese Red troops until 1938 when he got permission from the National Government to organize a New Fourth Route Army operating against the Japanese in the lower Yangtze valley.

Source: Study in this office.

For and in the absence of the Military Attache:

F. P. Munson

F. P. MUNSON
Capt., F.A.,
Assistant Military Attache

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MIL. INTEL. DIV.
WAR DEPARTMENT

CHINA

Subject: Snapshots of Generalissimo
Chiang Kai-shek

RECEIVED G/2 W. D. JUL 2 1935

Enclosed herewith are five (5) snapshots of Chiang Kai-shek, Chairman of the Military Affairs Commission of the Chinese Government, taken during a recent inspection trip to Hankow by one of Chang Hsueh-liang's personal aides, and given to me personally during my recent visit there. They are extremely good likenesses of the Generalissimo.

W. S. Drysdale

W. S. Drysdale
Lieutenant- Colonel, Infantry
Military Attache

5 snapshots enclsd.

From M/A, China Report No. 9135 June 6, 1935

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
AUG 9 1934
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G-2 Report.

6290 - Personal - Miscellaneous.

CHINA (Military)

Subject: Chinese Army Personnel.

MARSHAL CHIANG KAI-SHEK.

RECEIVED G/2 W. D. AUG 7 1934

a) Date and place of birth:

Born 1886 - Fenghua, Chekiang province.

b) Education:

Graduated from Paotingfu Military Academy about 1910, following which he went to the Tokyo Military Staff College. During period of political exile he has revisited Japan and studied military system of Soviet Russia in 1923 but has never travelled in either other parts of Europe or America.

c) Social status and antecedents:

Comes from ordinary Chinese stock. However, his wife, a sister of Mrs. H. H. Kung, (present Minister of Finance) Madame Sun Yat-sen and T. V. Soong, is probably the best known woman in China. She was educated in America, is talented, smart and beautiful. Entirely through her influence Chiang has approached culture and an understanding of modern life.

d) Outstanding accomplishments and abilities both professional and personal:

1. Organization of the Southern Expedition at Canton in 1926 which during the following two years due to alliances with other militarists forced the fall of the independent Peking Government, forced Chang Tso-lin north of the Great Wall and brought about the National Government with its capital at Nanking.

2. The maintenance of himself as most powerful of the militarists under the guise of the National Government in China during the past five years.

e) Principal events of career both creditable and discreditable:

1. Establishment of Whampoa Military Academy first at Canton and later at Nanking.

2. Success in purging the Nationalist party of Communist influence and expulsion of Soviet Russian advisers.

3. Employment of German military advisers.

From M/A, China. Report No. 8867. July 6, 1934.

CHINA (Military)

Subject: Chinese Army Personnel.

MARSHAL CHIANG KAI-SHEK.

4. Defeat of the Feng Yu-hsiang - Yen Hsi-shan coalition in 1930.

5. A general and evident improvement and modernization in the organization, training and equipment of his armies to a greater extent than that of any Chinese leaders in modern times.

His political enemies are very active in discrediting him. It is known that he has illegally jailed Hu Han-min, Li Chai-sum, Fang Chen-wu and many other of his enemies. No cases are known where he has had his enemies of prominence assassinated. Nevertheless, years ago the American Consul-General at Shanghai reported that the Municipal Police of that city stated that Chiang Kai-shek was wanted for a murder in 1910 and an armed robbery in 1917.

f) Political affiliations -- powerful friends and enemies:

Formerly Chiang Kai-shek was a supporter and lieutenant of Sun Yat-sen. At that time Chiang was not the most powerful man in China. However, upon Dr. Sun's death, Chiang became all-powerful. As such, in China, he cannot be said to have friends of influence but subordinates - unless his wife is an exception. Before his breach with T. V. Soong, the latter would be classed as his most powerful friend.

His enemies are numerous. The most powerful and irreconcilable of which are:-

Feng Yu-hsiang
Hu Han-min
Pai Chung-hsi
Yen Hsi-shan
Tang Shao-yi

There is a very marked difference of opinion as to what has directed Chiang Kai-shek's policy and attitude vis-a-vis Japan for he has not at any time joined in the nation-wide chorus of those denouncing that country since the Mukden incident of September 1931. His partisans claim this has resulted from his intention not to become embroiled with Japan in military action which would end in his total annihilation but to pursue a cautious policy so as to nurture the strength of China and prepare for a later war which would afford some chance of success. Chiang's enemies claim his failure to use all his forces in fighting Japan is prompted by purely selfish reasons either by "selling himself" to Japan or allowing them to take what portion they wish of China just so long as they do not destroy him.

CHINA (Military)

Subject: Chinese Army Personnel.

MARSHAL CHIANG KAI-SHEK.

g) Pro- or anti-American, if known:

Chiang Kai-shek is a recluse and sphinx-like. Very few in China know of his personal likes or dislikes. He is not known to be anti-American but is not pro-American.

h) Character, morals, personal habits -- strengths and weaknesses -- likes and dislikes -- hobbies.

No matter what his past or whoever his critic, all intelligent observers agree that Chiang is now living a frugal, plain and Christian-like life. About two years ago he was baptized a Methodist Christian. As president of the Central Military Academy he has personally sponsored a slogan of ten "don'ts" of living somewhat similar to the "Ten Commandments." His New Life Movement has expanded the same idea into 96 rules of life. Chiang's strength is his moral courage and the discipline he extracts from his subordinates. It is most noteworthy that during the past five and one half years not one of his prominent generals has ever betrayed him and joined an enemy during civil warfare. His greatest weakness seems to be that as his dictatorial power increases he becomes more and more arbitrary, austere, arrogant and autocratic. Mrs. Chiang Kai-shek exerts a tremendous influence in tempering these extremes.

i) Physique, physical and nervous stamina -- ability to stand up under hardships of campaign:

In the past, Chiang has stood up under many a crisis. He is now getting older and said to show its effect, as well as those of his hectic life and the Spartan-like daily schedule that he insists upon keeping.

j) Mentality and temperament -- intelligence, judgment, inclined to be rash and impulsive or timid and conservative:

Chiang's continuance of power proves that he is the most able politician and general in China. He is inclined to be conservative and plans his political and military maneuvers carefully.

k) Physical and moral courage -- ability to perform under pressure -- willingness to take heavy responsibility and make timely and important decisions followed by prompt action:

He uses the Chinese characteristics of indirect action, negotiation and dilatory tactics up to the limit. Then, he

CHINA (Military)

Subject: Chinese Army Personnel.

MARSHAL CHIANG KAI-SHEK.

strikes with a force much more foreign in character than Chinese. In recent years he has not approached the firing line closely.

l) Anything that will aid in presenting an accurate and intimate personal picture of the man as well as officer:

Chiang today demands from his subordinates the respect and fear comparable to that of a medieval king or emperor. He apparently tries to foster this feeling by having no confidants except his talented, worldly and able wife.

m) Photographs or reproductions of photographs:

See attached. (1 copy only)

S. V. Constant.
S. V. Constant,
Major, Cavalry (D.O.L.),
Acting Military Attache.

1 Enclosure.

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G-2 Report.

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2290 WAR DEPT. Personal - Miscellaneous.

CHINA (Military)

Subject: Chinese Army Personnel.

MARSHAL CHIANG KAI-SHEK.

MARSHAL CHIANG KAI-SHEK
(蔣介石)

Enclosure to Report No. 8867, dated July 6, 1934.

G-2 Report

FOR OFFICIAL USE ONLY

CHINA (Military)

6170-Detailed Organization of Units

1 bne

OFFICE CHIEF OF ARMY
MIL. INTEL. DIV.

MAR 13 1935

2009-247

RECEIVED G/2 W. D. MAR 13 1935 WAR DEPARTMENT

Subject: Special Training Battalion at Nanking.

Submitted herewith is a chart showing the organization of the Special Training Battalion at Nanking.

According to the Battalion Commander this Training Battalion is in no sense a model battalion and is not organized for combat use, its organization, as shown on the attached chart, being dictated solely by the task peculiar to its mission. As explained by our informant, Colonel Li, the main mission of his unit is the training of specially selected men in the more technical phases of the infantryman in battle, such as anti-tank, anti-aircraft, howitzer weapons, gas warfare and communications.

In the special weapons company shown on the attached chart are four platoons. Instruction in anti-aircraft and anti-tank weapons is carried on by one of these platoons using two 22 m.m. automatic cannons (Solothurn). The impression gained in a discussion of this gun was that the training in its use had not progressed beyond the nomenclature and functioning stage. The guns had been fired but probably only for demonstration purposes.

The second and third platoons of the special weapon company are charged with infantry howitzer training. The second platoon is equipped with two 75 m.m. howitzers while the third platoon is armed with two 82 m.m. mortars. Little or no field firing has been done with either of these weapons, probably due to a shortage of ammunition.

The fourth platoon is also a 82 m.m. mortar unit. This platoon was thus equipped for the purpose of training personnel for a chemical warfare service and after the inauguration of gas warfare training in the Special Training Battalion. For want of a better weapon the 82 m.m. mortar is used in the gas mortar phase of chemical warfare training.

Besides the training in gas warfare by the 82 m.m. mortar platoon, instruction is given the platoon of 55 officers (see chart) in the tactical employment of chemical warfare agents. Although gas warfare training for these officers has been in progress but one month, tentative plans have been made to expand the present platoon into a company.

As to the instruction in communications little is known. The communications platoon is equipped with several radio sets similar to the brigade set used in our service and are of German manufacture. Some field telephones and a few reel carts (hand) were observed in a store-room and appeared to be either old or much used. A great number of signal flags were in evidence and it is thought that this means of communication was receiving much more attention than its use warranted.

The recruits selected for the Training Battalion are first assigned to the three rifle companies where they are taught the rudiments of soldiering. The battalion at parade reflected the German military training of Colonel Li who, in his disciplinary

training of the battalion, has out-goosestepped the Germans. The outward marks of good discipline such as smartness, neatness, punctilious military courtesy and the like were much in evidence throughout the entire battalion.

During the recruit training in the rifle companies the recruits also spend part time in special weapon training. This likewise applies to those men in the machine gun company who have been graduated from the rifle platoons and assigned to the machine gun units. Thus, those undergoing training in the rifle and machine gun units are instructed concurrently in special weapons. According to Colonel Li the reason for rifle and machine gun training along with the specialized instruction was to impress the men with the use of the basic weapons and to retain discipline.

Remarks:

The above description of the functioning and mission of the Special Training Battalion is based upon statements of Colonel Li augmented by a cursory inspection of the unit, barracks and store-houses. Colonel Li was very reticent about answering questions. When asked the length of time required to accomplish the special training of an individual, the use to be made of the graduates or the existence of training missions other than those mentioned, evasive replies were made. The evasiveness of Colonel Li may be explained in part by the secrecy thrown about these activities by his Chief, General Yu Wei-teh, who right or wrong considers these developments a subject that should not be disclosed to foreign observers, particularly the Japanese. Again, it may be that General Yu is the head of the Special Movement Corps (see item 1, par. d., Situation Report, January 31, 1935) whose members may be receiving military instruction in the Special Training Battalion. There are no facts at hand definitely to substantiate this rumor.

Whatever other training may be carried on in this battalion of 1100 men, it is certain that most of the personnel is receiving instruction in special infantry weapons together with training in gas warfare. It is impossible to gauge what results are being achieved. Heretofore the training of the Chinese army has been with a view to fighting a rifleman's war. The need for men trained in the use of special weapons of a Chinese infantry regiment may possibly be supplied by some such system of instruction as is now carried on in the Special Training Battalion at Nanking. It is believed that a mortar of such small calibre as 82 m.m. cannot build up a lethal concentration of gas of sufficient proportions nor is it capable of laying down an efficient smoke screen to meet the needs of modern warfare. It appears that little can be accomplished in this phase of the gas warfare training beyond gun drill. The adoption of a larger calibre would seem eventually necessary if effective chemical action is to be taken, in which case a complete revision of ballistic and firing data will be inevitable.

G-2 Report

6170-Detailed
Organization
of Units

CHINA (Military)

Subject: Special Training Battalion at Nanking

Additional reports on the operation and mission of this battalion will be submitted when pertinent information is obtained.

CONCLUSIONS:

Despite the official statements of the Battalion Commander to the contrary, a study of the organization of this Battalion might indicate the intention on the part of the authorities to develop a purely combat unit suitable for employment in the peculiar conditions imposed by the terrain, supply, control and command factors in China; that the German advisers are interested participants in such a development, and that the chemical warfare instruction is a new development and a temporary mission assigned to this organization.

Source: This information was obtained by Lieut. T.S. Timberman through a personal inspection of the battalion and conferences with Colonel Li Jen-t'ao, the Battalion Commander, a graduate of the Infantry School at Fort Benning and who later attended military schools in Germany.

W. S. Drysdale
W.S. Drysdale
Lieutenant-Colonel, Infantry
Military Attache

T S T

1 chart attached.

Distribution:
6 MID
1 File

G-2 Report

FOR OFFICIAL USE ONLY

6170-Organization of Units

CHINA (Military)

Subject: Training Brigade at Nanking

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
2009-247
RECEIVED G/2 W. D. FEB 28 1935 WAR DEPARTMENT

Submitted herewith is a chart showing the organization of the Training Brigade together with comments on its operation, observed during an inspection of this unit.

I. GENERAL.

The Training Brigade at Nanking was organized a little over a year ago by General Kuei Yung-ch'ing, who received his military education in Germany. General Kuei still has command of the brigade and, judged by western standards, it can be said he is both an able and efficient military leader. The two regimental commanders have also been educated militarily in Germany as have also some members of the brigade and regimental staffs. With but a few exceptions the remaining officers are all graduates of the Central Military Academy.

The enlisted personnel have been especially enlisted for duty with this brigade, a higher standard being required than in the ordinary services. The non-commissioned officers have been obtained in part from the original members of the brigade, selections from the various trainee units as well as through transfers from school units in Nanking.

Needless to say, with the care used in selecting the personnel of this unit, together with the attraction of better pay and better living conditions, these troops are the equal and probably better than any other Chinese military organization.

II. OBJECT.

This brigade, as now organized, is not a combat unit. Its chief purpose is the training of selected enlisted men in the duties of non-commissioned officers (at present a serious need in the Chinese Army). Besides this main mission of building up a better non-commissioned officer corps, the brigade also furnishes practical training to graduates (officers) of the Central Military Academy as well as depicting a standard of modern training and training methods which it is hoped will be carried with the officers and non-commissioned officers to their new assignments.

It will be noted from the attached chart that there are no special weapon units except the battalion of artillery which is assigned to this organization merely for maneuver purposes. The Chinese are dependent almost entirely for their training in special weapons on the returned students from foreign military schools. This fact has resulted in the establishment at Nanking, apart from the training brigade, of a Special Training Battalion, where the more technical training of the infantrymen such as anti-aircraft, anti-tank, howitzer weapons, gas warfare and communications is carried on. (A report on this training battalion is being prepared.)

From M/A, China Report No. 9031 January 28, 1935

CHINA (Military)

Subject: Training Brigade at Nanking

III. COMMENTS ON INSPECTION.

Installations and Equipment.

The brigade is stationed about four miles east of Nanking in buildings formerly occupied by the 87th Division. The site is low with a large drainage ditch running through the area dividing the brigade into two regimental areas. At the time of our visit, during the dry season, the surface of the drill grounds was a hard baked clay, making excellent footing. However, it was quite evident, and admitted by General Kuei, that the parade ground was a slithery sea of mud in the rainy season.

Each unit down to and including the battalion has its own headquarters. The personnel is housed in long low wooden buildings all of the same type and size, each company (168 men) being assigned to one building. The company barracks are divided into one room each for the five company officers, three platoon squad rooms (with about 25 double deck iron bunks in each room), a mess hall with tables and chairs (also used for an assembly hall), a store room and four small rooms for non-commissioned officers. There is a kitchen for each company but in a separate building at the end of the company street. At the opposite end of the company street is the latrine and bath house.

In each company area, about 100 yards long (length of company barracks) and 20 yards wide (distance between buildings) there was a basket ball court, horizontal bars and a wooden horse. On the buildings at the end of the company street bulls eyes with the vertical clock system around the target have been painted.

Near the headquarters of each regiment is the regimental infirmary, sick call being held at the end of the morning drill. At the time of our visit to the 1st Regiment there were thirty odd bed patients, mostly surgical. Twelve men were reporting for sick call to the regimental surgeon, a graduate of the Rockefellow Foundation Hospital in Peiping. We visited the dressing room, pharmacy and wards, all of which gave evidence of being sanitary, from a layman's viewpoint. Men seriously ill are taken to the Central Hospital in Nanking.

Training.

Both regiments were observed during the period assigned to small unit training, the squads and platoons being commanded by members of the trainee units while the officers of the organization supervised.

The appearance of the men and officers was excellent. Including officers, none was more than 35 years of ago and all were of good physique and set up. The uniform worn was of heavy wool, OD in color and unlike any other Chinese military organization the men were equipped with heavy marching shoes, quite similar to those issued to our troops in 1917. For a head dress all wore steel helmets, painted OD, and drilled carrying a light pack with horse shoe roll. These drill packs weighed 12 pounds

and we were informed that with full equipment the pack would weigh about 26 pounds. Regulations require the men to clip their hair, a distinct improvement over the long-haired student type elsewhere. To sum up, the appearance of the men on the drill field would reflect credit on any military organization.

The actual training taking place on the field demonstrated that the deficiencies long present in Chinese military training had not yet been entirely eradicated. It is true that the drill this particular morning had been well planned. Even though there were about 2000 troops drilling on this drill ground there was little or no confusion or mingling of units. The leaders in charge of the various units were energetic and made frequent corrections as did the officers supervising the drill. But here is where the above mentioned deficiencies became evident. Even though glaring mistakes were made by the various trainees the bulk of the corrections were directed at non-consequential details. As an example, a machine gun squad was engaged in gun drill. The position where the gun was to be mounted had been indicated and the gunners placed the tripod and mounted the gun, the remainder of the squad taking their positions kneeling on one knee. The gun was very poorly mounted, the barrel pointing at the ground a few yards in front. However, this point was not mentioned, but a member of the squad was immediately pounced upon for kneeling on the wrong knee and, to demonstrate further the over-emphasizing of trivial details, the members of the squad kneeling were made to take the proper kneeling position about three times while the machine gun still remained pointing at the ground, the cradle being off the horizontal about 20 degrees. This was by no means an isolated incident of the training but rather reflected the standard of correction observed during the entire morning.

Notwithstanding the constant correction of minor errors, which it seems should kill the interest in the instruction, the men were kept hard at it all morning with little or no rest periods and appeared exceptionally alert and enthusiastic. The regiment was most punctilious in its military courtesy. Upon General Kuei's arrival on the drill field, a bugler sounded attention, the command standing at attention while the regimental commander reported, on a run, to the brigade commander. Throughout the brigade it was evident from the contacts between officers and men; a Prussian-like discipline was required - even to the enlisted men goose-stepping past an officer while saluting.

Enquiring of General Kuei as to the other phases of the brigade's training, we were informed that the companies are assembled in the mess halls in the late afternoon for problems in minor tactics using sand tables. Each company is provided with a large sand table on which the country surrounding Nanking has been reproduced. On Saturdays a general maneuver outside Nanking is held in conjunction with the various units of the school troops in Nanking. Instruction in marksmanship is carried on using blank cartridges, while a little firing on ranges with ball ammunition, corresponding to our 1000 inch ranges, is done.

CHINA (Military)

Subject: Training Brigade at Nanking

The training with blanks was observed, the firer being coached in aiming and firing from a prone position. The best that can be said of this phase of the marksmanship training is that it is better than not firing at all. The details and form of getting into firing position were carefully checked while the trigger squeeze was neglected entirely.

It will be noted from the accompanying chart that no trainees are assigned to either the artillery or machine gun organizations. Since the artillery battalion is not stationed with the brigade, except for maneuvers and problems, it is assumed that little if any artillery instruction is given. Instruction, however, is conducted for the trainees by the machine gun organizations. Just why the trainees are grouped in the units as shown by the chart and some not assigned to the machine gun companies is not clear. It was inferred from the brigade commander's explanation that the ease of administration alone dictated the organization of the trainees. The battalion of trainees directly under the brigade (500 N.C.O.'s) are evidently specially selected and probably receive some training as staff N.C.O.'s in brigade and regimental headquarters and as senior sergeants in the companies. The remaining trainee units are trained by making use of the regular units of the brigade both as a parent organization and to afford an opportunity to exercise command.

CONCLUSIONS:

The outstanding feature of the functioning of this brigade is the modern method of its administration. The buildings are in good repair and all had been recently painted (white). The living quarters of the men, although unheated, were scrupulously clean as were the mess hall and kitchens, an innovation in China. The brigade area was well policed with receptacles for refuse in each company area. In a word, it is a distinct improvement over any military establishment heretofore seen in China.

As to the accomplishments of the training to date little can be said. A sound system of training has been inaugurated and the deficiencies mentioned before may disappear as the instructors gain more experience. Certain it is, however, that the N.C.O's leaving this brigade will be infinitely better prepared to assist in unifying the training in the army than the N.C.O's trained in individual units, whose standards vary with the ability and personality of their various commanders.

Source: Personal inspection of the unit and discussion with General Kuei, the brigade commander, by Lt. T.S. Timberman of this office.

W. S. Drysdale

W. S. Drysdale
Lieutenant-Colonel, Infantry
Military Attache

1 chart attached

T S T

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G-2 Report

6210-Commissioned Officers

6-1

CHINA (Military)

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.

Subject: Appointment of General Officers

2009-248

WAR DEPARTMENT
RECEIVED G/2 W. D. MAY 22 1935

In order to effect control over the appointments of general officers, the Central Political Council on March 27, 1935 adopted a set of revised regulations. The text of these regulations has not been made known but it is understood that they place the authority for the appointments of officers of the higher grades in the National rather than the Provincial Governments.

At its meeting on March 27th the Central Political Council conferred the rank of Field Marshal, the highest in the Chinese Army, on Chiang Kai-shek (for further details regarding the Generalissimo see G-2 Report No. 8867). In addition to the rank mentioned above, the regulations also provided for the appointment of two classes of general officers, that of General First and Second Class. The appointments in these two classes include most of the prominent members of the Kuomintang Central Executive Committee and Chairmen of the Provincial Governments.

The following is a list of the appointments, including a short biography, showing their past military commands and important positions held.

APPOINTMENTS OF GENERALS FIRST CLASS:

YEN HSI-SHAN

Native of Shansi Province. Born in 1882. Graduate of the Tokyo Staff College. Military and civil governor of Shansi Province from 1912 to 1928. Peiping-Tientsin Garrison Commander 1928-1930. Member of the Central Executive Committee of the Kuomintang and concurrently Director of the Peace Preservation in Shansi, 1932. Military Chairman of the Shansi Provisional Government in which position he exercised a large degree of control over the provinces of Shansi, Suiyuan, Chahar and Hopei. While he has ostensibly relinquished his official title of Chairman of Shansi Province he still controls the government of this province.

FENG YU-HSIANG:

Native of Anhwei Province. Born in 1880. Military Governor of Honan in 1922. Came into prominence in 1924 when he imprisoned Tsao Kun and installed Tuan Chi-jui as the Provisional Chief Executive. He was vice-president of the Executive Yuan and concurrently Minister for Military Affairs in 1928-1929. Dismissed from all posts and expelled from the Kuomintang in 1929. He was pardoned during the latter part of 1929 but was ordered re-arrested in 1930 for assisting Yen Hsi-shan in his revolt against Chiang Kai-shek. He was again re-instated as a member of the Kuomintang Executive Committee in 1931. Feng again threatened the peace of North China in 1933 when he attempted to reassemble his former subordinates to lead an expedition against the Japanese in eastern Chahar.

CHINA (Military)

Subject: Appointment of General Officers

Feng Yu-hsiang's authority, prestige and political influence has dwindled to the point where he is now considered one of the illustrious "has beens". Feng's name on the list of superior generals is a political gesture only and is known to be such by the majority of Chinese.

CHANG HSUEH-LIANG:

Native of Liaoning Province. Born in 1898. Son of Chang Tso-lin. He was former warlord of the Northeastern Provinces until expelled from Manchuria by the Japanese after the Mukden Incident. Upon his return from abroad in 1934 he was appointed Commander-in-Chief of the Bandit Suppression Forces of Honan, Hupeh and Anhwei. He has always been loyal to Chiang Kai-shek and is now considered his right hand man in the communist campaign in which he is taking an active and successful part. Member of the Kuomintang Central Executive Committee. (See G-2 Report No. 8985 dated December 3, 1934, for further details.)

HO YING-CHIN:

Native of Kweichow Province. Born in 1889. Minister of War and concurrently Chairman of the Peiping Branch Military Council and Directing Commissioner of the Mongolian Autonomous Political Council. He was especially commended by the Central Government for meritorious service as a fighter and tactician. He is the Generalissimo's representative in the North and a man of exceptional ability. Member of the Kuomintang Central Executive Committee. (See G-2 Report No. 8912, dated September 13, 1934, for further details.)

LI TSUNG-JEN:

Native of Kwangsi Province. Born in 1890. Military Chairman of the Kwangsi Provisional Government, active in the communist suppression campaign and admittedly opposed to Chiang Kai-shek's increased authority and to his unification program. He is the acknowledged leader of the Kwangsi forces and political considerations are believed to be responsible for General Li's present appointment. Member of the Kuomintang Central Supervisory Committee since 1931.

CHU PEI-TEH:

Native of Yunnan Province. Born in 1890. Was an instructor in the Whampoa Military Academy under Chiang Kai-shek in 1924. He was Chairman of the Kiangsi Provincial Government in 1927. Member of the Kuomintang Central Executive Committee since 1926. Officer-in-charge, National Military Council, since February 1932. Director General of Military Training since 1933. State Councillor of the National Government, concurrently Chief of General Staff 1929-1931. At present Chief of General Staff. He is a general officer of undoubted loyalty to Chiang Kai-shek and was of inestimable value in the eradication of the Reds in the Province of Kiangsu during the past year.

CHINA (Military)

Subject: Appointment of General Officers

T'ANG SHENG-CHIH:

Native of Hunan. Born in 1885. Graduate of Paoting Military Academy. Commander 5th Route Army; Chairman Military Advisory Council. December 1929 revolted; proscribed by the National Government. December 1931 pardoned. Reappointed chairman, Military Advisory Council January 1932. Reserve member, Kuomintang Central Executive Committee, since December 1931. At present director of Military Training Administration at Nanking.

CHEN CHI-TANG:

Native of Kwangtung Province. Born in 1890. Commander of the Nationalist 4th Army in 1928, Field Commander of the 8th Route Army in 1929, and has been the unquestioned leader of the South China forces since 1931. Member of the Kuomintang Central Executive Committee since 1931. Director of Peace Preservation, Canton, since 1932.

The appointment of Generals Second Class include the following named military leaders:

CHEN TIAO-YUAN:

Native of Hopei Province. Born in 1888. Chairman of Shantung and Anhwei Provincial Governments from 1928 to 1932. Commander of the 1st Route Army since 1933. Has held the title of Commander-in-Chief of the Bandit Suppression Reserve Forces of Kiangsi, Kwangtung, Hunan and Hupeh provinces since January 1934.

HO CHENG-CHUN:

Native of Hupeh Province. Born in 1882. Graduate of the Tokyo Military Staff College. Adviser to the Generalissimo's headquarters. Director of the Military Affairs Department, National Government Headquarters, in 1928. Chairman of Hupeh Provincial Government 1929-1932. Member of the Kuomintang Central Executive Committee since March 1929. Pacification Commissioner of Hupeh Province since April 1932.

CHU SHAO-LIANG:

Chairman of the Kansu Provisional Government since July 1933. Commander of the 32nd Army since 1929. Pacification Commissioner of Kansu Province, Ninghsia and Chinghai since May 1933.

HAN FU-CHU:

Native of Hopei Province. Born in 1890. Formerly one of Feng Yu-hsiang's most able generals. Was Chairman of Honan Provincial Government in 1928. He sided with Nanking in suppressing Feng's revolt in 1929. Commander of the Shantung 1st Army in 1930. Has been Chairman of Shantung since 1930.

CHINA (Military)

Subject: Appointment of General Officers

SUNG CHE-YUAN:

Native of Hopei Province. Born in 1885. Was formerly military governor of Jehol Province. Commanded the Kuominchun 4th Army, 1926-1927. Chairman of the Shensi Provisional Government 1927-1928. Commander of the 28th Army since 1929. Chairman of Chahar Provincial Government since 1932. (See G-2 Report No. 9047, dated February 13, 1935, for further details.)

LIU HSIANG:

Native of Szechwan Province. Born in 1890. Chairman of the Szechwan Provincial Government and one of the most loyal supporters of Chiang Kai-shek in his campaign against the communists in Szechwan Province. His troops are daily becoming more efficient in every respect and deserve a great deal of credit in the reported successes against the communists. Commander of 21st Army since 1929. At the present time is the Chairman of Szechwan Provincial Government.

LIU SHIH:

Native of Kiangsi Province. Born in 1893. Chairman of Honan Provincial Government since 1930. Graduated from the Paoting Military Academy. Was commander of the Nationalist 1st Division in 1927 to 1930. Member of the Kuomintang Central Executive Committee.

WAN FU-LIN:

Native of Kirin Province. Former Chairman of Heilungkiang Province from 1929 to 1931. Has been in command of the reorganized 53rd Army since 1932. He is generally regarded as an incompetent military leader of the old type.

HO CHIEN:

Native of Hunan Province. Born in 1887. Graduated from the Paoting Military Academy. Was commander of the Nationalist 35th Army in 1927. Commanded the reorganized 6th Division of the 4th Group Army in 1928. Chairman of the Hunan Provincial Government and concurrently commander of the 4th Route Army since 1929.

PAI CHUNG-HSI:

Native of Kwangsi Province. Born in 1893. Graduated from the Paoting Military Academy. Defense Commissioner of Woosung and Shanghai in 1927. Second in command of the 4th Group Army. He was dismissed from all posts for assisting in the rebellion of Li Tsung-jen in 1929. Also expelled from the Kuomintang Central Executive Committee in 1930, was later pardoned and appointed Vice-Director of Peace Preservation in 1932 and reinstated as a member of the Kuomintang Central Executive Committee in 1931.

CHINA (Military)

Subject: Appointment of General Officers

LIU CHEN-HUA:

Native of Szechwan Province. Born in 1890. Was at one time military and civil governor of Shensi Province. Commanded the 8th Route Army in 1928-1929. Has been in command of the 64th Division since 1930. Was appointed Chairman of the Anhwei Provincial Government in 1933 and has held that post since that time.

KU CHU-TUNG:

Native of Kiangsu Province. Was Chairman of the Kiangsu Provisional Government from 1931 to 1933. Has served as Political Vice-Minister of Military Affairs since January 1934. Member of the Kuomintang Central Executive Committee since 1931.

SHANG CHEN:

Native of Hopei Province. Born in 1884. Graduated from Peiyang Military Academy. Graduate of the Tokyo Staff College. Military Governor of Suiyuan Province, 1925. Chairman of the Hopei Provisional Government in 1929. Chairman of the Shansi Provincial Government in 1931. Has commanded the 32nd Army since 1931. Is a Reserve Member of the Kuomintang Central Supervisory Committee since March 1929. (See G-2 Report No. 8799, dated April 5, 1934, for further details.)

FU TSO-YI:

Native of Shansi Province. Born in 1895. Graduate of the Paoting Military Academy. Division commander in 1926. Tientsin Garrison Commander 1928-1930. He commanded the reorganized 7th Army in 1931 and was concurrently commander of the 73rd Division. Chairman of the Suiyuan Provincial Government since August 1931.

HSU YUNG-CHANG:

Native of Shansi Province. Born in 1892. One of Yen Hsi-shan's trusted commanders. He has commanded the 33rd Army since 1929 and has been Chairman of the Shansi Provincial Government since January 1931.

YU HSUEH-CHUNG:

Native of Shantung Province. Born in 1889. Commanded the Fengtien 20th Army. Commander of the Northeastern Defense 1st Army in 1931. Tientsin-Peiping Garrison Commander 1931 to 1932. Chairman of the Hopei Provincial Government since September 1932, concurrently commander of the Reorganized 51st Army. (See G-2 Report No. 8947, dated October 25, 1934, for further details.)

CHINA (Military)

Subject: Appointment of General Officers

YANG HU-CHEN:

Native of Shensi Province. Born in 1893. Nanyang Garrison Commander (Honan) 1929. Assisted in the suppression of Feng Yu-hsiang's revolt. Chairman of Shensi Provincial Government 1931-1932. Commanded the 17th Division since December 1930.

CHIANG TING-WEN:

Native of Chekiang Province. Born in 1898. He was a classmate of Chiang Kai-shek at the Paoting Military Academy. Instructor of the Whampoa Military Academy 1924-1926. Chief of Staff of Nationalist 4th Army 1927. Commander of the 16th Division 1930 in suppressing the Feng-Yen revolt. Commander of 9th Army 1931-1932. Yangtze Defense Commander, 1933. Was Commander-in-Chief of the forces suppressing the Fukien revolt. Pacification Commissioner for Fukien. He is Chiang's representative and right hand man in Fukien Province.

LUNG YUN:

Native of Yunnan Province. Born in 1888. Graduate of the Yunnan Military Institute. Chairman of the Yunnan Provincial Government since August 1928 and concurrently Commander of the 38th Army since 1927. Reserve member of the Kuomintang Central Executive Committee since December 1931.

HSU YUAN-CHUAN:

Native of Hupeh Province. Graduate of the Tokyo Military Cadets School. Commander of the 48th Division and 16th Army; concurrently Pacification Commissioner of Hupeh, Hunan, Szechwan, Kiangsi borders since September 1930.

W. S. Drysdale

W. S. Drysdale
Lieutenant-Colonel, Infantry
Military Attache

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G-2 Report

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6760 - Maneuvers, Field Exercises, Reviews, Inspections

3 Encs

CHINA (Military)

Subject: Inspection of Units of the 32nd Army

Route also to ma Sect.

2009-249

RECEIVED G/2 W. D. JUN 18 1935

WAR DEPARTMENT

The following report on an inspection of units of the 32nd Army at Nanyuan, about ten miles south of Peiping, on May 1, 1935, is submitted:

The Military Attache accompanied by Lieutenant-Colonel J. B. Richardson, G.S., Major S. V. Constant, Cavalry, Assistant Military Attache, and Captain J. E. McCammon, Infantry, senior Language Officer, motored to the Headquarters of the 32nd Army in Peiping where they joined Lieutenant-General Shang Chen, the Army Commander, his Chief of Staff, and several other staff officers. The entire party then motored to Nanyuan where the following program was witnessed:

(a) Inspection and review of a force consisting of one Infantry Regiment, one Artillery Battalion, one Troop of Cavalry, one Engineer Company and one Communication Platoon.

(b) One Infantry Company, with a section of machine guns attached, demonstrated a company in attack.

(c) One Battery of Field Artillery going into action.

(d) Basket-ball game.

(e) Polo game.

(f) Assembly of officers.

The troops appeared well disciplined, uniforms were neat and clean, the march past was well done, and in general the entire command made a very creditable appearance.

Although the quarters do not have the facilities and improvements usually found in the American Army, they were nevertheless in good condition, spotlessly clean and the individual equipment displayed was uniform throughout. A great improvement is seen from that previously prevailing in Chinese units in North China.

General Shang Chen, the Army Commander, is a very intelligent, progressive and active leader who has set himself a program for the improvement of his troops and has already achieved remarkable success in that respect.

The General and his staff were most cordial to the Military Attache and his inspection party and afforded every facility for a thorough inspection of the troops being reviewed. He assured us that we were free to ask any questions or inspect anything in his command and made absolutely no effort to conceal anything during the inspection.

From M/A, China Report No. 9125 May 22, 1935

CHINA (Military)

Subject: Inspection of Units of the 32nd Army

COMPANY IN ATTACK:

The demonstration of the company in attack was started by the leading company in the advance guard being forced to take cover due to hostile artillery fire. From this stage on, the company, with one section of two heavy machine guns attached, deployed and successively advanced by squad columns, squad rushes and infiltration until the enemy positions were reached. The employment of the infantry squad was essentially the same as in our service. The light air-cooled machine gun, with bipod rest being the pivot around which the squad operated.

In the demonstration given the section of heavy machine guns was located to give flank protection, protection from hostile aircraft and to support the attack of the riflemen.

Due to the nature of the terrain used for this problem there was very little cover but that available was taken advantage of for concealing both men and machine guns. The mechanics of the advance were well executed but it was noted that there appeared to be a lack of range estimation, target designation and fire control within the squad. Other than the discrepancies noted above the problem was well conducted throughout and the men showed an understanding of the formations adopted in order to advance the attack.

The judges controlled the problem by the use of flags which represented enemy tanks, the approach of aircraft, machine gun positions and the degree of fire superiority gained by either side depending upon the efficiency with which the various formations were taken.

TRAINING:

Both General Shang Chen and his Chief of Staff state that periodical training programs are issued by the headquarters of the 32nd Army in which the subjects to be covered during the training season are assigned an appropriate number of hours for instruction as well as inspection dates upon the completion of the subject matter. Training schedules, taken from the master schedule, are issued by the units of this command.

Two hours are allotted to theoretical indoor instruction and four hours daily to outdoor practical application of the instruction received.

During the training season all officers are required to be present either in barracks or on the drill grounds of their respective commands and are only permitted to leave for their homes, generally in the nearby villages, when the daily training routine is finished or under exceptional circumstances by special permission.

CHINA (Military)

Subject: Inspection of Units of the 32nd Army

It would seem from our inspection that the instruction and training being given the command included the subjects ordinarily considered essential for the control and employment of troops in battle. There is evidence that greater emphasis is now being put on field and combat exercises than formerly.

The division commander and quite a number of the officers in the various units in his command are graduates of the Central Military Academy at Nanking. The system of securing officers from the Government military training institutions has been adopted and this no doubt will result, or has to a certain extent already resulted, in more uniform training methods and objectives.

USE OF CAMOUFLAGE.

A camouflage net, worn as a jacket over the uniform, is a part of the equipment of every man. The artillery pieces, trench mortars and machine guns also used a net as part of their regular equipment (see attached photographs). The net observed is a cheaply constructed devise in which dried grass is held in place by ordinary cord. During the majority of the year the dull brown of the landscape in North China makes the use of the net a very efficacious means of camouflage. In the spring and during the period when the countryside is green, the newly cut green grass is used in lieu of the dried. It was obvious that instruction had been given to every unit in the use of the net but there were many instances where faulty use was permitted without correction. In general, it is believed that a proper use of the net would greatly increase the difficulty of detection from the air, an important development in North China where control of the air is now and would probably continue to be in enemy hands in the event of further hostilities.

WEAPONS:

The rifle and light machine gun are both 7.9 mm., manufactured in the Chinese arsenals. While the light machine gun has the appearance of being a well finished product, the rifles are not so well finished and have a rather poor type of wood in the stocks. The metal parts show long and rough usage and their accuracy is exceptionally poor.

The heavy machine gun is a Browning type, water-cooled, and is almost identical to that used by the United States Army. It is also manufactured in China but is far from having the mechanical perfection attained in our guns.

The artillery pieces are Japanese model, 75 mm. mountain guns. No panoramic sights were observed but General Shang Chen stated that some were ordered and would shortly arrive. During the field exercise presented by the artillery battery, the command and observation posts were established as the situation seemed to require, the guns went into position and the command post group

appeared to function with rapidity and efficiency. Telephone communication was established between the command and observation posts and the battery positions. Various targets were selected, orders were issued and the fire of the battery was simulated. One target represented hostile artillery and another enemy infantry. The gun positions selected seemed to be chosen with careful regard to airplane observation and enemy troops. The guns were well camouflaged and the ammunition train functioned well.

There was no opportunity to observe or examine the communication or engineer units. General Shang stated however that each division and every regiment was equipped with a radio set and radio communication could be maintained from the regiment up.

PHYSICAL TRAINING:

Especial efforts have been made in the 32nd Army to give the men many forms of physical training which include basket-ball, boxing, polo and the usual forms of track and field events. Very good basket-ball and polo teams have been developed which compete with foreign teams. General Shang Chen has reputedly donated $10,000.00 from his personal funds for the purchase of athletic equipment. The polo team is well mounted on Mongolian ponies from the stables of the 32nd Army. The uniforms, mallets, balls, awnings for guests, tents, etc., are the best available and a credit to any organization.

The polo team, whose training was begun about a year ago by Lieutenant Jernigan, Cavalry, of this office, is now being trained by Mr. Neppo, a Russian resident of Peiping, who is an excellent horseman and polo player. The horsemanship of the members of the team is excellent, most of them having received their riding instruction under German officers at Nanking, and their playing is a credit to any team of such short training.

PAY:

The pay of the personnel of the 32nd Army has been cut 20%. The soldiers receive $6.20 per month; the non-commissioned officers receive a slightly higher amount. From each of these two classes $3.00 per month is deducted for food.

Lieutenants receive $25.00 per month, Captains $44.00 and Battalion Commanders and Colonels $120.00. There is a central officers' mess located at Nanyuan which receives $5.00 per month from each officer for food.

It has been the custom for each organization commander to pay their units from funds received from headquarters but this system is now under revision and it is believed that within a short time all will receive their pay from a central pay bureau which will function for the entire army.

CHINA (Military)

Subject: Inspection of Units of the 32nd Army

TRANSPORTATION:

There is no regular transportation assigned to individual organizations although the army has considerable motor transportation. In any movement involving a change of station each battalion is generally assigned fifteen native carts. If this amount is insufficient additional carts are taken from the local inhabitants for which they are given a small amount in peace time, but in case of hostilities the farmer would indeed be fortunate to receive anything, besides being impressed as carter during the time the transportation taken from him was used.

There are no regular soldiers assigned to transportation duty. In peace time each unit handles its own supplies through its brigade or division commander, the line troops doing the work. In war time each division, according to plans made, would enlist into its transportation service 400 civilians who would be used to manage the carts, carry ammunition, food, etc., to the combat troops.

The general system of supply mentioned above is now in the process of revision and certain officers of the army are sent to the Central Military Academy at Nanking to study the service of supply. It is believed that when sufficient progress and uniformity are achieved in the study of this important subject the old methods will be discarded and efficient methods substituted therefor, which will eventually eliminate the use of civilian elements.

Each man is issued 50 rounds of ammunition per day during combat and with his initial allowance of two hundred rounds which he carries on his person this will give him a total of 250 rounds at the start of hostilities. In addition to this amount the individual soldier has 150 rounds more which is carried with the unit baggage. This allowance is constantly maintained by the use of ammunition carriers which supply the combat troops from the rear ammunition dumps.

The system of supply is based on a central station located near a railhead or seaport which in turn issues to distributing points near the front lines, from which point it is carried by carters or carriers to the combat elements.

GENERAL REMARKS:

The improvement so noticeable in the training and discipline of the 32nd Army is an indication of similar changes throughout most of the military units of the Central Government. While many divisions, notably those of General Wan Fu-lin, are considered inferior and are at present used largely as labor troops, the pending reorganization is designated to improve the general standard of all units, and it is planned to absorb or

eliminate inferior organizations (see Report No. 9070 of March 11, 1935).

Inspectors are periodically sent from the Central Government training bureau at Nanking to give tactical inspections of units in North China, a remarkable change from the former system, and continued improvement in the discipline and fighting qualities of Chinese troops may be expected.

W. S. Drysdale

W. S. Drysdale
Lieutenant-Colonel, Infantry
Military Attache

Encls:

11 photographs and
2 sketches

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WAR DEPARTMENT

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CHINA (Combat)

2009

Subject: TRAINING - General

Notes from German Advisors

RECEIVED G-2 W. D. JUN 1 1939

1. The following notes, criticisms and training schedules are translations of reports submitted by the German Military Advisors to the Chinese Government. They are hereby transmitted as of possible interest to your office.

Joseph W. Stilwell

Joseph W. Stilwell
Colonel, Infantry
Military Attache

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From: M/A, China Report No. 9766 April 27, 1939

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Enc. 1
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OFFICE CHIEF MIL. INTEL. DIV.
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3
WAR DEPARTMENT

Nanking,
November 11, 1937

General Advisor,

Tel. No. 8190/I.

Re Memorandum on Training of Fighting Forces

1. War Ministry
2. Army Inspectorate
3. Head of General Staff
4. Head of General War Department of War Ministry, General Wang
5. Deputy Chief of General Staff, General Pai Chung-hsi
6. General Liu Kuang
7. Ist Department of Military Commission

) Draft in Chinese only

Enclosed I have the honor to forward "Memorandum on Training of Fighting Forces".

MEMORANDUM ON TRAINING OF FIGHTING FORCES

1. The basis of training is to be found in the regulations already issued concerning training of infantry, artillery, special arms, as well as of T.F. which as our experience up to the present shows, have in their essentials been fully vindicated.

This memorandum is not to replace these regulations but only serves as a brief resume of the most important points.

2. The effect of artillery is decisive in battle. Forces must be so led as to get maximum support from their own artillery, and to minimize the effect of enemy artillery.

3. Since the strong material superiority of the enemy must be taken into account (above all artillery, air force, tanks, etc.) the reducing of enemy artillery effectiveness is especially important.

The end to be achieved is to maintain our own power of continued resistance when subjected to enemy artillery fire and bombing; only then can our infantry, who as fighters are superior, launch a close-quarter attack through the enemy barrage. In defense, the aim should be to keep them capable of resistance up to the time of the enemy infantry attack.

4. The following means help to reduce the effectiveness of enemy artillery:

(a) Passive means. Utilisation of natural cover and improvement of same by entrenchments. Utilization of night time, fog, bad weather, and above all through deployment in width and depth.

(b) Active means. Use of our own artillery to destroy enemy artillery, enemy infantry and positions, and restrict movement.

5. The most important feature of every position is the proper distribution of forces in width and depth. This begins with the advance in small columns leaving gaps to minimize the effect of enemy air attack. The advance continues with further deployment as soon as the area of enemy artillery fire is reached, and finally leads on the field of battle to the greatest extension of formation possible, that of single men.

6. This enables forces when attacking to make use of the smallest natural cover. It offers the enemy artillery fire only small targets, recognisable with difficulty and spread over a large area. The enemy fire is in consequence split up. On the other hand too great an extension makes it difficult to keep up full strength in the final assault. A strong formation in depth makes it possible during an attack to continuously reinforce the weakened advanced

echelons, and also to exploit enemy weakness by throwing in reserves, as well as to secure the flanks of the attack. Even when penetrating deeply into the enemy's defense zone or breaking right through, it does not suffice to keep only the advanced echelons in extended formation. On the contrary, this must also apply to all reserves in rear, not only within the range of machine gun and artillery fire, but also wherever enemy air attacks are possible.

7. Especially in defense is distribution in depth of decisive significance. Defense is not a question of holding a front line, but one of holding a deep zone, the main battle position not being less than 800 - 1,000 meters deep. The main supports of infantry fighting are the light and heavy machine guns. They as well as other infantry supporting arms are to be disposed in staggered formation over the whole battle position so that where possible they are concealed from the enemy, and are enabled to provide mutual support with enfilading fire, the sudden intensity of which holds up enemy attacks in front of the battle position. This automatic fire must also dominate the main battle position itself. Other supporting infantry weapons held in reserve can also be so disposed that they can without difficulty be brought forward to participate in the fight on the battle position.

8. In the disposition of forces in defense sectors the greatest care must be taken to avoid ground or aerial observation. The main battle position should, therefore, not be on high ground or on the upper parts of slopes, but rather at the foot of heights or alternatively on the reverse side of slopes. Here it can not be observed by the enemy, but it is still dominated from the rear of the position.

9. In making dispositions it is above all essential to find protective cover for supporting weapons, light machine guns, and their personnel. Cover for snipers and positions for riflemen is not so vital; it can in case of emergency be got ready quickly. Even when skilfully placed these works are immediately recognized from aerial photographs. The individual positions must be adapted to the nature of the country and above all the crests and hollows must be used for cover. All positions must be carefully concealed from the moment work on them is started; the earth removed must be taken away or concealed.

10. Positions which would attract enemy fire are especially to be avoided. Villages, clumps of trees, scattered farm houses, small hills and other conspicuous land marks must never be strongly occupied when they are used to provide cover against visual observation. The important positions must be either in front, behind, or at the sides. This is particularly important when selecting sites for strong points. They must never be closely clustered around villages but as with all other positions must be spread out, and so by distribution in depth make flanking machine gun fire possible.

11. Enfilade artillery fire, except in positions of considerable depth, can also be achieved by means of a broken line. This broken line in hilly country is often naturally created, if positions are adapted to the nature of the country. In flat country rivulets and natural cover often will give occasion for a broken line.

12. If the enemy attacks a position organized in this way and his attack does not collapse before reaching the main battle position under the planned concentrated artillery fire, further resistance will be continued with rifle fire. It is a mistake if at this juncture the troops leave their cover to launch a bayonet attack. Only when the enemy has been thoroughly crippled by fire should his few remnants be mopped up by short counter-attacks launched by the nearest units. These counter-attacks must be started immediately, that is, before the enemy has established himself in the sector, before he has had time to prepare for resistance, and before his artillery or fighting planes, being still uncertain as to what has happened, can support him.

Machine guns and nests of sharpshooters passed over by the enemy must fight to the last. They can be certain that they will be relieved by a counter-attack of reserves.

13. If the enemy secures a firm foothold in part of the entrenched position or breaks through it altogether, the next step is to shut off the place where he has broken through in order to prevent a further advance. This "shutting off" process is brought about by frontal and above all flanking fire of infantry supporting weapons (such as heavy machine guns), of reserves, and of artillery concentrations, which can be decisive. If through this blocking off process the enemy is brought to a standstill, the lost ground can once more be recovered by a counter-attack. The counter-attack is best directed against the flanks of the enemy who has broken through. For it, as for every kind of attack, detailed preparation is required. Too much haste leads to failure.

14. The preparations for every attack include:

Steady, firm issuing of commands,
Clear, logical organization and preparation of troops,
Definite assignment of tasks, objectives, zones of fighting,
Designation of the main effort,
Planned support of artillery and other supporting weapons,
Co-operation of tanks, aviation, and neighboring forces.

15. T he infantry must learn to make speedy and energetic use of the supporting fire provided by machine guns, mortars, artillery, tanks and planes. Even the strongest

and most effective fire fails to expel the enemy if the attacking infantry does not follow up immediately. Orders to this effect cannot always be given from above, - the lower staffs and even the troops themselves must co-operate closely. While attacking, any local superiority of fire, however momentary, must be taken advantage of to press the advance.

16. It is equally important to exploit as quickly and decisively as possible all the enemy's weak points and to throw in reserves at those points. When the attacking infantry succeeds in penetrating the enemy position, it must be constantly reinforced by troops brought up from behind, and must press forward against machine gun nests and points of support deeper in the enemy's position. It is the task of the reserves and the supporting weapons to safeguard the flanks against envelopment and counter-attack. Those directing the attack must see to it that where the attack is making headway, it is properly fed and that supporting fire is furnished there. In this way a penetration of the enemy line can be converted into a complete break-through.

17. The artillery can only fulfil its task of clearing the way for the infantry by the closest possible co-operation. Artillery must never act independently of infantry, or receive orders unconnected with those of infantry, and so not be able fully to devote its fire to the support of the foot troops. This is equally true for all other arms which serve to support the infantry advance. (Include are tanks and aviation whether they come under the direct orders of the infantry or not.)

18. Artillery positions must be so far to the front that they can reach all the way through the hostile position. Their observation posts must be so placed that they can see the whole field of action of their own infantry. To achieve this it is usually essential that each battery shall have several observation posts and at least one well forward in the infantry zone.

19. The divisional commander is responsible, in the first instance, for collaboration with the infantry and for the drawing up of a common plan of fire. He must personally get into touch with the infantry staff with whom he is to collaborate and maintain this connection by liaison officers. The battery commander should usually be at his main observation post and should personally direct the fire. It is especially important that he has a clear view of the zone given him for observation and that he prepares alternative observation posts.

CLASSIFICATION CANCELLED
By authority letter of Dec. 18, 1963, from TAGO to Archivist
By
Date 8-30-65

~~Highly Confidential~~

February 13, 1938

OUTLINE FOR TRAINING SCHEME OF THE MILITARY COMMISSION, "COURSE FOR COMMANDING OFFICERS IN THE WAR"

1. Directive:

To draw lessons from the experience gained in the various theatres of war, taking into account the principles of tactics and prescribed regulations, and in this way laying down a concrete directive for further resistance.

II. Subjects to be covered and various aspects of training course:

1. Moral education:

(a) to foster a proper political outlook,
(b) to strengthen confidence in final victory,
(c) to create understanding for the efficiency of moral strength as opposed to material superiority,

2. Strategy:

(a) the meaning and conditions which make possible a war of annihilation and attrition,
(b) strategy applied by ourselves and by the enemy, its successes and failures, as well as prospects of future success of our strategy,
(c) importance of holding on to strategically vital points,

3. Tactics:

(a) correction of past tactical errors,
(b) laying down of future tactical principles, support of tactical offensive, support of mobile warfare by flying columns, bringing about mobile warfare by clinging to important positions,
(c) understanding of powers and limitations of various arms as well as of principles underlying their combined use,
(d) consideration of examples of fighting under special circumstances drawn from theatres of war, in order to lay down principles,
(e) mastery of the more usual enemy tactics, penetration, envelopment, concentration of superior forces at one point in order to force a decision,
(f) fighting formation of a company, of sections and groups, night operations, musketry and hand-grenade throwing,
(g) the execution of "flying column" tactics,
(h) liaison between ground and air forces as well as anti-air raid precautions.

4. Entrenched positions:

(a) Given our inferiority in armament, fortifying of positions is a necessary condition if we are to cut down our losses and if we are to increase the efficiency of our fire; consequently this must be carefully borne in mind in offensive as well as defensive operations;
(b) Attention must be paid to destroying enemy positions, reducing effectiveness of enemy's fire, and increasing their expenditure of munitions.
(c) Concealment of positions, disguised and sham positions,
(d) Formation in greater depth to strengthen power of resistance of any given position.
(e) Position must be a "closed" one; not such that if the enemy breaks through at one point the whole line will collapse.
(f) Whenever possible to make greatest use of local materials in construction of auxiliary positions; also to take effective advantage of topographical conditions.

5. Staff duty:

(a) employment and use to which members of staff should be put by commander,
(b) speed and accuracy in giving of commands, information and messages,
(c) collection and verification of information received,
(d) studying of conditions facing neighboring troops and keeping in touch with them as basis of co-operation.

6. Political:

(a) organization of local inhabitants,
(b) relations between troops and inhabitants,
(c) incorporation in troops of inhabitants to collaborate with flying columns.

7. Intelligence Service:

Information services are the nerves of the forces and are essential if the leader is to achieve his object. It must be seen to that the information is as complete as possible. Besides telegraph and wireless news auxiliary means of news transmission should be used, such as signallers, messenger dogs, carrier pigeons, etc.

8. Medical Corps:

Health of troops has decisive influence on maintenance and strength of fighting forces. They are entrusted with and responsible for medical treatment and care of wounded.

9. Commissariat:

(a) Because of inadequate lines of communication transport difficulties occur. Full use of food stuffs and provender which can be locally obtained must be made, to relieve problem of supplies. For the same reason economy of munitions should be practiced, where possible by taking munitions with you in order to relieve congestion of area behind front.

(b) Maintenance of law and order behind front to facilitate problem of supplies.

III. Method of Training:

1. Education - moral education by the Generalissimo and heads of military authorities.

2. Lectures.

(a) On strategy, tactics of various arms, entrenchment, intelligence, medical corps, commissariat, etc. by experts of military academy; on infantry, cavalry, artillery, transport and railway sections, by commanders of medical corps and of other experienced and well informed divisional and corps commanders from the front.

(b) Head of each war area would hold one or two lectures in every course. They would lecture in turn on the course the fighting had taken in their respective divisions. (The director of training will also hold a lecture on the objective critical attitude).

3. Execution.

In strategy and tactics each individual's work will be subjected to careful criticism. He will be able to learn by his mistakes.

(a) War zones one and three will serve as practical examples for study of fighting in flat and hilly country respectively. They can serve as models for future fighting.

(b) For tactical purposes the present positions in war areas can be used, with explanations on the map which will help in future conduct of war.

(c) Company, section and squad fighting formations will be practically demonstrated by the groups of the infantry school. The disposition and construction of fortified positions will be demonstrated by members of Engineering School.

Re General Wan's telephoned enquiries 13.30, 12/2/38.

1. Examples taken from history of war of materially inferior country fighting enemy of superior strength. e.g. Prussia in Napoleonic War.

2. Tactics with sandtable.

3. Material for instruction, to be made available and got ready by general advisorate.

CLASSIFICATION CANCELLED
By authority letter of Dec. 18, 1963, from TAGO to Archivist.
By
Date 8-30-65

~~Strictly Confidential~~

Hankow,
February 14, 1938

General Advisor,

Tel. No. 8711/I

To : The General Commanding the 25th Army Corps,
His Excellency General Wan.

To the general outline for the training plan for instruction of commanders, I venture to add the following observations.

With reference to II 3 b. Mobile warfare demands above all well thought out and steady leadership as well as harmonious co-operation of commanders of all ranks. A clear conception of the situation, rapid and clear decisions, rapid transmission and efficient execution of orders are of decisive importance. Under no conditions must mobile warfare mean that we retreat on every occasion the enemy advances. In mobile warfare it is essential where the situation so requires to hold out with all means available.

"Minor" warfare and engagements involving "flying columns" will always be only a means to an end, and can never be an end in themselves since taken by themselves they can never be sufficient to defeat the enemy.

To do this the use of combined arms is required. On the other hand "minor" warfare must take into account the plans of those directing operations. There must be a main effort.

"Minor" warfare has as its purpose to weaken the enemy by all possible means and to inflict continuous losses of men and materiel, to undermine his morale and to so tie down his forces that he can not move his reserves at will.

We must therefore succeed in fixing the enemy in certain sectors and later, according to a pre-arranged plan, utilising all arms, attack and destroy him at the point where his weakness is revealed.

With reference to II 3 e. The enemy has again and again employed the tactics of breaking through on what is usually a very narrow front by a heavy concentration of weapons.

They can only succeed in breaking through when our lines of defense are not deep enough, that is, when we are fighting along one continuous line and when we counter-attack without adequate artillery preparation.

Every enemy break through of the kind so far practised must collapse if we have sufficient depth. We proceed to cripple him by flanking fire, and later by means of the planned use of counter-attacking troops to throw him back.

With reference to II 4 e. Compare this to what has been said concerning II 3 e.

The "impenetrability of a position" does not depend on a continuous front line but rather on the mutual support through mutually flanking fire which defensive positions can afford each other.

With reference to II 5.

(b) When orders are given, next in importance to speed and accuracy, is a check to see whether the order has reached its destination accurately and punctually. It is not enough that orders shall have been given, but constant check must be kept to see that they are carried out.

(c) Information concerning the enemy when accurate and to the point is of the utmost significance in determining the course of the action. All troop commanders are therefore personally responsible for seeing that intelligence is immediately passed on to superiors. Every commanding officer must see to it that the sector under his command is constantly being reconnoitred by every means at his disposal. Where there is no precise information, he must get this by sending out patrols and skirmishing squads.

(d) One of the most important duties is to keep in constant touch with adjacent troops. This does not mean, however, that one unit retreats because neighboring troops are doing so. It is precisely at such a moment that they should be supported by throwing in reserves who can help bring the retreat to a halt. This is why constant communication, mutual exchange of information, and collaboration on part of neighboring commanders of all ranks are of decisive importance.

With reference to II 8. Organization and strict control of the medical corps is an important duty of the higher command from divisional commander upwards. In future it must never again occur that slightly wounded just vanish behind the rear. They must be reassembled behind the front and on recovery be forwarded to their units.

This is also a decisive factor as regards to II 9 b, since most of the confusion behind the lines is due to undisciplined action on the part of slightly wounded and shirkers. Reinforcements also require constant and strict control as well as responsible inspection.

With reference to III 3 c. It is to be recommended that practical demonstrations be carried out by those divisions in process of training which are now in and around

Wuhan. Fortified positions will most effectively be demonstrated in the framework of the Wuhan defense sectors, since in this case tactics can be brought into consideration at the same time.

With reference to the time table, I have the following comments:

1. Four hours practical demonstrations seem to be much too little. Experience shows that through practical work rather than theoretical instruction, you learn much more and also more quickly.

It will be essential not only to show up-to-date tactical fighting formations but also to demonstrate the use of up-to-date supporting weapons. It is precisely here that I have again and again noticed total ignorance.

2. I doubt whether the military academy is in a position to supply instructors qualified to lecture on varying methods of warfare in varying types of country, since these officers have had no front line experience.

3. I can provide suitable experienced advisors for intelligence, engineers, tank and anti-tank units.

With reference to your request by phone.

1. Copies of a number of reports of experiences are enclosed:

Experience from fighting in front of Shanghai, August 19th to 31st, 1937. No. 7847/I of 4/9/37.

Further experiences of Shanghai fighting from September 5th to 25th, 1937. No.8011/I of 2/10/37.

Report of war experience III from fighting on Shanghai front October 3rd to 12th, 1937. No. 8045/I of 15/10/37.

Experiences on the subject of army motorization from fighting around Shanghai, middle of June to beginning of November, 1937. No. 8208/I of 18/11/37.

Report by General Streccius concerning his activities as advisor to the Governor of Shanghai, October to November, 1937. No. 8237/I of 18/12/37.

Short resume of up-to-date war experience for the instruction of commanding officers.

War experience concerning intelligence service
No. 8662/I of 10/2/38.

Up-to-date war experience in lorry and transport
service No. 8658/I of 9/2/38.

Please leave the allocation of lecture subjects for German advisors to me. I am only too willing to meet you as far as possible in all requests of this nature.

General Spemann can lecture on the fighting in Shansi 26/9/37 to 28/10/37.

A demonstration with sandtable seems to be unsuitable for this course. It is better, as already mentioned, to give practical demonstrations with troops in the field.

Parallels drawn from history of war.

1. Frederic the Great in Seven Years War 1756-63.

2. General Lettow-Vorbeck fighting in East Africa. Keeping together his weak forces, attacking the enemy's strategic positions, and after four years still retaining freedom of action in the conduct of the war.

3. Tyrolean War of Liberation 1809. Guerrilla warfare by itself can never win a war.

4. Battle of Flanders 1917. In spite of country without cover and of inundations, successful resistance of German troops in the face of superior enemy war materiel.

5. Battle of Cambrai 1917. Check by 54th Infantry Division, and particularly by the divisional artillery, of the surprise attack by 360 tanks. This check delayed the enemy break-through, thus gaining time for reserves to be brought up to counter-attack.

6. German offensive March, 1918 (Kaiserschlacht). In spite of munition and armament inferiority, concentration of all forces to achieve superior strength for decisive battle.

7. Verdun. Superior materiel defeated by moral resistance of the French (Clemenceau).

15/2/38

Nanking
Sept. 4,1937

Section I

To : The Generalissimo.

Three main points form the basis of the enclosed draft:

1. In the case of all divisions which, given the scope and probable duration of hostilities, will see service, leadership and staff work have not as yet reached a standard which would enable the leaders to apply for themselves what their position requires of them.

2. Tactics and staff work are based on the theoretical relation of units to each other. They do not take into account the disparity in armament between Chinese and Japanese.

3. The Chinese officers, non-commissioned officers and men should have special instruction with emphasis on their special needs. This help owing to low mentality and backward military development they can not provide for themselves.

Here the help of those directing them is essential.

The memorandum is not designed as a text providing for all cases, but rather as a guide to make clear the most important points.

(Signed); LORENZ

I. Infantry

Co-operation with heavy arms

Trench mortars are very effective but the infantry does not make adequate use of them, partly because they expect the supporting arms to totally annihilate the enemy.

Anti-tank batteries were used in attack by the infantry to serve as supporting weapons.

The 36th Division does not attempt to follow up tanks when they break through.

Orders to tanks forbidding withdrawal lead to heavy losses and prevent planned outflanking of previously located pillboxes.

Throughout, no orders for reconnaissance have been given, or if given, the orders have not been carried out.

II. Artillery

There are no artillery commanders, consequently there is a lack of reserve munitions. A "Bofors-section" of the 87th Division was shot to pieces in the night of August 22nd. The artillery experts of Chang Chih-chung's staff were otherwise employed.

Artillery observation was never far enough forward; s.F.H. (Notation S.F.H. not understood. Probably heavy field howitzer. J.W.S.) effectiveness was claimed in connection with landings at Changhuapang, but this success was not verified.

On the night of August 20/21 the 87th and 36th Divisions complained that s.F.H. are accurate only where targets are favorable and are of no use in supporting infantry. This why for the time being they are considered of little importance.

There is general anxiety always to fire at maximum ranges, and never to get as close to the target as possible.

The 88th Division claims that it is not able to destroy fortified position No. 36 with its two Bofors batteries because the target, a three storied factory building, is too small.

III. Intelligence Service:

No information on part of intelligence service as to number of enemy, location of aircraft carriers, arrival of and names of new divisions, popular feeling in Japan, etc.

No automatic information from divisional headquarters to Army staff. They only reply to telephone enquiries. Information without exception inaccurate and inadequate. For three days it was impossible to ascertain whether troops landed at Lotien were marines or land forces. No information concerning shipping movements, arrival of troop transports, or warships on the Whangpoo and Yangtze.

No information from reconnoitring parties, as well as no information from area covered by intelligence service.

Aeroplane observation service sent not a single report covering plane movements.

Badly installed telephone wiring, consequently phone communication often incomprehensible.

None or inadequate liaison (from the 20th onward the 88th Division was for thirty six hours out of touch with Army Headquarters.)

No co-ordination of communications. (At Malutsen over a distance of four kilometers there were seven parallel telephone lines.) At Chang Chih-chung's headquarters they have to speak with each of the divisions under their command from a different room and phone. There are no means of direct communication between divisions.

No motor cyclists. As only commanders have cars, no personal communication and exchange of information possible between staff officers.

Not a single radio in army area in working order.

IV. Staff Headquarters.

Maps either bad or none at all.

No information as to losses.

Completely irregular hours of duty in staff. Hours of work, of rest, relief of officers from duty not fixed.

Right up to August 29th Chang Chih-chung's staff had only one motor cyclist, and his machine was not in running order.

The slight contribution by the air force was made without any effort to keep in touch with the ground force. In the whole army area there was not a single air-force liaison officer.

V. Mechanization.

Up to August 30th in the whole field of operations there was not a single car repair station in running order.

No orders to retrieve by towing back. (Between Nansiang and Soochow on August 29th there were 27 lorries, some only partly damaged or stuck in ditches, which for the most part had been lying there since August 19th.

Lorries were concentrated in village centers.

Hankow,
February 14, 1938

Subject: Organization of Generalissimo's Army Headquarters.

I. Operations Department.

Section I. Plans of campaign; issuing of orders for same; general questions a propos of conduct of war. Co-operation of different war areas and fighting forces. Directives to intelligence service and quartermaster general's department. (To this section field intelligence service, field railway transport, motorized service, and waterway service, will each appoint one liaison officer.)

Section II. Land forces.

For each war zone one section will be formed which will be responsible for organization of fighting forces, armaments, equipment, employment and movement of troops, maintenance of law and order. Daily reports, reports of losses, daily account of war.

Section III. Air forces (including anti-aircraft branches).

Division of war zones where this seems necessary. Disposition and organization of forces, armament, equipment, Employment of independent branches and of those appointed to war zones under army and navy.

Section IV. Land and coastal defenses, lake and river forces.

Duties in co-operation with plans of campaign. Planning and inspection of construction work.

Section V. War Experiences.

Experiences regarding questions of campaign and tactics; how to make use of them for training schools, especially for general staff officers. Examination of all plans and reports. Preparatory work for history of war.

Attached is Map Section to provide maps required, together with military and geographical reports.

Printing Department.

II. News Department.

Section I. Examining and compiling of all news received. Directions to branch sections through collaboration with I. Section I. Instructions to press.

Our own military attaches:
Section (a) Japan
(b) Russia
(c) Other countries

Section II. News for abroad.

Foreign press; radio, confidential agents abroad; sabotage.

Section (a) Japan
(b) Russia
(c) Other countries

Section III. News from war theatres and from interior.

For every war zone one section will be formed. Foreign attaches, press, politics, propaganda.

Section IV. Counter espionage service.

Secret and field police. Supervision of postal, telegraph, telephone, radio services.

Section V. Making use of war experience.

For organization and training in news and propaganda services.

III. Central Department.

As they themselves propose; only I would suggest:

1. To hand over training of staff headquarters, officers to Operations Department Section V.

2. To leave regulation of paroles and pass words to army commanders or war zones.

3. News communication between air and sea forces to be regulated by field news service chief.

IV. Quartermaster General.

Section I. Office work, general arrangements, personnel.

Section II. Commissariat, responsible for supply of arms, munitions, war and engineering equipment, air force spare parts (planes not included), obtained from ministry of munitions and the respective sections of war ministry, and forwarded to forces.

Section III. General Depot Inspection.

Depot inspection; centers for collection of captured goods and provisions; dealing with prisoners; economic affairs in fighting zone; and supply dumps.

Section IV. Head of Field News Service.

Organization and running of war intelligence system for all forces in collaboration with ministry of transport. Supply of news service equipment in conjunction with communication department of war ministry.

Section V. Head of Field Mechanised Service.

Mechanised forces - tanks, armored cars, repair centers, supply of spare parts and fuel in conjunction with communication department of War Ministry. Control of road traffic, maintenance of road and bridges, ferry service, in conjunction with ministry of transport.

Section VI. Head of Field Railways.

Railway communication and transport. Distribution of rolling stock. Upkeep in conjunction with ministry of transport.

Section VII. Head of Field Water Transport.

Traffic and transport on waterways. Maximum use of cargo space available in conjunction with ministry of transport.

Section VIII. Field Medical Corps.

Field medical corps and hospital organization. Transport and care of sick. Bringing those who have recovered back to lines. Sending invalids back home. Replacing of medical supplies and staff.

Section IX. Field Veterinary Organization.

Field veterinary service. Animal hospitals, replacement of animals.

Section X. Field Post.

Section XI. Provost Marshal.

Notes attached: Branch dealing with preparatory work for history of war can be cut out (s.I.6). Military academy works with I.6. Artillery and pioneer staff can be cut. Special post for Army, Navy, and Air Attaches, is not necessary (s.II.3). Surveying should be divided into ground and air surveying.

(Signed); Von FALKENHAUSEN

~~Strictly Confidential~~

CLASSIFICATION CANCELLED
By authority letter of Dec. 18, 1963, from TAGO to Archivist.
By JET
Date 8-30-65

Nanking,
August 17, 1937.

General Advisor,

Tel. No. 7749/I.

To : The Military Commission,
His Excellency General Liu Kuang.

I would like to draw your attention, with regard to the fighting in the North and around Shanghai, to the suggestion of offering rewards for the capture of war materiel. This has the added advantage that the troops engage the enemy with greater zeal and enables us to use the captured material for our own purposes.

I should suggest that rewards offered be:

A. One infantry rifle, pistol, etc. $10
One light machine gun, etc. $50
One heavy machine gun, etc. or trench mortar...$100
One battery $500
One lorry $500
One tank $1,000
One aeroplane $1,000
One small sized warship $10,000
One large sized warship.....$50,000

B. One cartridge (rifle).....$ 0.05
One artillery shell .....$ 5.00
One prisoner, wounded (or dead) $20.00
(Notation "DEAD" crossed out)
One prisoner, officer $50.00
One prisoner, general $100.00

Money to be paid to the unit which hands booty over at collection centers.

(No signature)

Time Table for the Training of Newly Created Divisions or of Those Recently Brought to Strength

1. Necessary conditions are:

(a) that officers are trained; that specialists have had individual training; that recruits have had individual training.

(b) that arms, equipment, animals and vehicles are at hand.

2. Aim of training:

Battle training in varying types of country, in various fighting formations, at the same time fighting as a unit in close co-operation with other arms.

3. There is time only for practical instruction in field work. Theory is to be restricted to that which prepares for and must be applied in actual practice.

4. The essential part of instruction in the case of all arms is thorough and disciplined training of lower units (company, section and battery) which must be shaped into instruments of precise and automatic efficiency always at the leader's disposal.

Experience shows, however, where large scale maneuvers and prolonged fighting is concerned, that basic discipline suffers. The reason for this is that faults and slacking off are not immediately checked by officers. This is why after a few days of training and during every pause in fighting company commanders and others must be told to get their units in hand once more, at the same time going over and making valuable use of the experience gained in maneuvers or fighting.

5. For high speed training of a freshly formed division, about thirty six days are needed; for that of a division brought up to strength about twenty days of further training are required - that is, including the necessary preliminary work, days of rest, etc. - a period of training of two and one months respectively.

6. The period of training is most usefully divided as follows:

Practice in units	Newly formed divisions	Divisions brought up to strength
Company	12 days	5 days
Battalion	8 days	4 days
Company (making use of battalion maneuvers)	2 days	1 day

Practice in Units (Cont'd)	Newly formed divisions	Divisions brought up to strength
Regiment (making use of battalion maneuvers)	6 days	4 days
Division (,, ,,)	4 days	4 days
Company or Battalion (making use of divisional maneuvers)	2 days	2 days

7. To be practised are: marching, deployment, preparation for action, meeting engagements, attacks against entrenched positions, protective measures during protracted fighting, especially in defense, combined maneuvers including all arms in units up to battalion. For practice in same, a single, comprehensive plan must be drawn up, so that all essentials may be covered and that the area of operations is divided and made use of by the arms in question. During practical operations by smaller units, the staff and intelligence services of larger units should be trained in T.E.W.T.*, in issuing of commands, and in liaison work.

8. On inspection by superiors, maneuvers of unrealistic nature are not to be carried out. Planned realistic maneuvers must be held. It is not so important that everything goes without a hitch, but it is important that not a single day of training shall be wasted, and that troops and commanders shall learn from inspection as well. It is just through unexpected hitches that inspecting officers can best get to know the standard of training and the spirit of the force in question.

Note: * T.E.W.T. not understood, - J.W.S.

Plan for the Rehabilitation, Disposition, and Training of Troops in the Areas South Honan, Hupeh, Hunan

A. General:

1. The aim is to complete the training of the fighting forces as quickly as possible while applying the experience gained in the war.

2. The creation of the staff of military instructors serves to help and to check on commanding officers in their organization, equipment, and their methods of training.

3. The course of training pursued is a shortened one; it relies solely on practical work, keeping especially in mind the latest lessons and experiences of the war.

4. The subordinate groups consist of a number of experienced leaders and instructors who influence the training course by constant inspection. This inspection will also serve to inform them of the progress and standard of training.

B. Division and organization of corps of instructors.

Staff in charge of instruction.
- Field Unit, East Hunan,
- Field Unit, East Hupeh,
- Fortification group, Wuhan,
- Infantry, Artillery, and Engineer training,
- Airforce, Reserves, Medical Corps (Supplies),
- Intelligence,
- Field Unit, South Honan.

Comments:

1. The size of the unit varies according to the number of troops in each area and according to the nature of the arms used.

2. German advisors will be incorporated in the staff and in subordinate sections, so that the course of instruction can be properly conducted and profit drawn from it.

C. Selection of Personnel:

Chief - the Generalissimo
- Deputy Chief - General Hsu Yung-chang
  - General V. Falkenhausen (in charge of demonstrations)
- A number of advisors.

Wuhan Unit:
- Leader - Hu Tsung-nan (reorganization and reserves)
- Deputy leader - Ma Tsung-lo (training and inspection)
- A number of advisors.

South Honan Unit: - - - - -

East H upeh Unit:
Leader - Lo Cho-ying (as above)
Deputy leader - Ling Pei-sen (as above)
A number of advisors.

East Hunan Unit:
Leader - Chang Fa-kwei (as above)
Deputy leader - Chang Tso (as above)
A number of advisors.

The leaders of the smaller training units will be selected by commanders and be proposed to the Generalissimo for appointment.

D. Financing of scheme will be provided for by war ministry.

E. ----------

F. Rewards and fines will be announced by senior officers and allotted according to the results achieved by the individuals employed.

Week	General Instruction	Field Work	Infantry Drill
5	1. Various kinds of arms 2. Org. of Inf. Rgt. 3. Gas mask 4. Light machine gun	What to do in position Rifle squad practice Deploying, advance by bounds over long distance 25 km. march with kit.	Drill with steel helmet Rept. of weeks 1-4
6	1. Fighting with other arms 2. Rolling of coats, packing 3. Hand grenade, gas mask 4. Light machine gun	Rifle squad drill Taking up position Being attacked, attacking Hand grenade throwing 25 km. march 1 night operation	Drill in squads Changing formations, Turning
7	1. Messengers 2. Aeroplanes 3. Armored cars 4. Rept.rifle, L.M.G.	Light machine gun squad Taking up position Under fire Changing position 25 km. night march	Drill in squads Changing formation Wheeling, kneeling, lying Changing direction on march
8	1. Air defense 2. Revolver 3. Rept. gas mask, hand grenade, L.M.G.	Squad training Deploying, extension Attack through artillery fire & gas Gas mask drill Preparation for attack	Company drill Changing formations
9	1. Gas war, protective measures 2. Things that go wrong with L.M.G.	800 m. squad charge Attack and fighting in enemy deep zone	Rept. of individual training Company drill Improving L.M.G. work

Scheme for Training Recruits

Week	General Instruction	Field Work	Infantry drill
1	Instruction: 1. Duty of soldier 2. Order in barracks 3. Ranks, designations 4. Superiors 5. Rifle	Description of country Maximum use of country Unobserved approach Leaps and bounds Judging of distances	Drill, falling in, numbering, sloping arms, etc. Mechanism of rifle
2	1. Secrecy 2. Spying, defense against 3. Care of uniform & equipment 4. Rifle	Cover, Naming and recognition of target, Reconnaissance; messengers Distances, Digging, Night Operations, direction, lights, sounds, stars	1. Rept. of 1st week, 2. Loading, securing, 3. Kneeling, lying without rifles 4. Drill without rifle
3	1. Repeat weeks 1 & 2 2. Marching 3. Machine Gun	Use of rifle, shooting Cover while taking up position How to deal with enemy advancing by bounds 20 km. march, no kit. Distances	Rept. Loading, securing while moving Kneeling, falling with rifle Drill with rifle
4	1. Rifle 2. Light Machine Gun 3. Hand grenade	How to deal with advancing enemy, With cavalry, cyclists Short range, rapid fire exercise. How to scout 1 night operation	Rept. Fixing bayonets Light Machine Gun Loading and securing

Week	General Instruction	Field Work	Infantry Drill
10	1. Rifle Company in action 2. Co-operation of all members of L.M.G.section	Section in defense Trench digging Laying out of positions for snipers Dugouts against artillery fire	Rept.
11	1. Rept.and consolidation	Squad in protracted resistance	Rept.
12	1. Rept. and consolidation	Rept.	Rept.

Week	P.T.	Musketry Theory	Musketry Practice
6	P.T. Running Jumping Putting weights Ball games 3 km.cross country run	Spraying (?) fire	Rifle, kneeling position, Triangular targets L.M.G. firing position Rifle three rounds kneeling L.M.G. ten rounds rapid fire
7	Rept.	Sights	Rifle, standing position Aiming practice L.M.G. firing position Rifle three rounds standing, no rest L.M.G.15 rounds rapid fire
8	P.T. Wrestling Running 400 meters Hand grenade throwing Jumping (long)	Instruction of individual marksmen	Rept.of all positions and aiming practice L.M.G. rept.of firing position & aiming work Rept. 5 rounds 200 meters no rest L.M.G. 15 rounds rapid fire
9	P.T. Games Running Putting weights Cross country run 3 kms.	Instruction rifle squad in action	Rept.of all rifle and L.M.G. work Squad firing 400 to 100 meters
10	P.T.	Instruction of L.M.G.section in action	Rept.of rifle and L.M.G. work Shooting of L.M.G.section 800 to 200 meters.
11	P.T. Competitions & tests Running Jumping Putting weights	Squad work in action	Rept. of rifle & L.M.G. work Squad in action firing 800 to 100 m.
12	Rept.	Rept.	Rept.

SCHEME FOR TRAINING OF RECRUITS

Week	P.T.	Musketry Theory	Musketry Practice
1	P.T. Running Putting weights Jumping	Theory of musketry Explanation of sights Idea of aiming Description of targets	How to hold butt Aiming and range stand Loading Triangular targets
2	Running (games) Putting weights Jumping Cross country run 2 kms.	Trajectory Errors in aiming Taking aim	How to hold butt How to bring rifle down Loading Triangular targets Aiming with rest
3	P.T. Ball games Running Throwing Jumping Cross country run 2 kms.	Range work Effect of weather conditions	Firing with blank cartridges Triangular targets Loading Shooting three rounds at range stand
4	P.T. Ball games Racing, 100 meters Racing, 1,000 meters Long distance hand grenade throwing	Security measures when using rifle and light machine gun	Firing in lying position with rest Loading Firing with rest in open country Shooting three round lying with rest
5	P.T. Running Putting weights Hand grenade drill (aim and distance)	Effect of fire Penetration of bullet	Rifle; lying without rest Triangular targets Loading Lying position with rest in country L.M.G. work Shooting rifle three rounds lying L.M.G. five rounds application fire

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OFFICE CHIEF OF STAFF
MIL., INTEL., DIV.
2009-2 JS
WAR DEPARTMENT
[redacted]

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By authority of Ltr dated Dec 18, 1963, from TAG to the Archivist
By F. Gordon Jr.
Date Jan. 16, 1965

G-2 Report

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CHINA (COMBAT AND AVIATION - MILITARY)

Subject: Military and Air Missions.

Armament and Equipment.

Training.

RECEIVED G/2 W. D. DEC 2 1936

1. The following memorandum, received from a reliable and well informed newspaper correspondent, was prepared by an American in China having close personal relations with the German military advisers of the Nanking Government and is understood to reflect their opinions:

a. German Advisers.

(1) Coming to Nanking six years ago, the Germans brought order and system to the business of military advising as well as to the Chinese Army. The Germans, who now number between 50 and 60, are officers on the reserve or retired list. They wear no uniforms and are under the direct control of their own staff, which is headed by General (full general) F. von Falkenhausen.

(2) The German officers are assigned as instructors in the various military institutions, detached for duty with regiments undergoing special training or are attached to Falkenhausen's staff. In ordinary times Falkenhausen remains in Nanking. During the anti-communist campaign in Kiangsi, Falkenhausen's predecessor remained at the field headquarters of Chiang Kai-shek. Whenever Nanking sends an expeditionary force against a foreign or domestic foe, German advisers go along. It is presumed they would be available in an advisory capacity should China fight a major war.

b. Military Schools.

(1) The Germans' contact is almost entirely with men in training for officership, or with officers already commissioned. Only two years ago was a system inaugurated whereby divisions are brought in from the field to Nanking for an extended training period under the direct supervision of German instructors.

(2) Most important of the military schools is the National Central Military Academy, where 3,000 high school graduates receive a three year military course. Upon graduation the sub-lieutenants are absorbed by line regiments or

From: M/A. Tokyo. Report No. 8512 Nov. 10, 1936.

RESTRICTED

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are given specialized training in the artillery, transport, service, cavalry or tank schools. German instructors are most numerous in these post-graduate schools. Every year a limited number or officers of the line of captains rank are brought to Nanking for a course in the Staff College, where most of the instruction is given by Germans. One White Russian General is also employed at this latter institute.

c. Artillery.

(1) A few years ago China's artillery was an odd assortment of old Krupp, Japanese imitation Krupps and obsolete guns of all sizes and makes. During the Kiangsi communist campaign Chiang bought something over 100/75 mm. light mountain guns. Later Nanking purchased 20/75 mm. field guns, and a few months ago took delivery of twenty-four 150 mm. heavy howitzers. These latter are of ultra-modern style, fitted with rubber tired wheels and mounted on carriages which can be towed by specially designed motor vehicles at 30 or 40 miles per hour. The last word in heavy, mobile artillery.

(2) Most of China's ordnance remains in Nanking. 18 miles from the city a well equipped artillery range has been laid out. Here Chiang's gunners learn how to use their expensive toys. As they started from near scratch only a few years ago, the Chinese gunners still have much to learn, but the German instructors are quite pleased at progress made.

(3) What guns Nanking has now are up-to-date and as good as any in use in other armies, but the number is still insignificant in comparison to the strength of Russian and Japanese. Ammunition for this artillery still must be purchased from abroad, though Nanking is making a start in manufacturing shell casings. Chinese arsenals are turning out fairly good light and heavy machine guns, but they are still not up to producing ammunition for their modern artillery.

d. Tanks.

(1) Two years ago Nanking purchased 24 Vickers-Armstrongs tanks, 12 six ton, 12 12 tonners. The lighter are of the amphibious type, though in practice they are not able to negotiate the muddy creeks and canals which crisscross the lower Yangtze Valley. Canton's tank strength was exactly that of Nanking's. Thus Nanking now has 48 modern tanks, and another consignment of the vehicles has been ordered from Germany.

(2) Nanking now has approximately 1500 motor trucks in military use. Within six months this total will be doubled.

(3) To combat tank warfare, Nanking has between 12 and 20 3 centimeter anti-tank or infantry guns.

e. Air Force.

(1) The air force organization is still in a state of transition. Corruption among the higher officers and

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By J. Gordon Jr.
Date Jan. 11-1965

[redacted]

jealousy among younger officers have retarded military aviation progress far more than is generally admitted. About six months ago the Generalissimo put Madame Chiang in charge with the position of secretary-general of the Aviation Commission, which is in general control of all aviation matters, particularly such important matters as training and purchase. Madame Chiang has straightened things out a bit, and increased the morale tremendously, but there is still much to be done.

(2) At Loyang is a nominally Italian staffed primary air school. The Hangchow and Nanchang schools give general training, and now at Nanking commissioned fliers are taking post graduate work under Italian instructors. The Italians, unlike the American aviation instructors, are Italian officers on the active list. Half of their salaries are met by Rome, the rest by Nanking. The Chinese complain about their work, but partly because their services are cheap and partly on account of political understandings between the Chinese and Italian governments, the Italians remain. Five American airmen arrived a few months ago to give instruction at Hangchow. The Americans are hired on a business basis. They are responsible only to their Chinese employers and are without any official status.

(3) Nanchang is the principle air center. Here are located the Italian staffed air school, the largest and best equipped air field in China and an aviation assembly plant and factory to handle the aviation equipment which China has contracted to purchase from Italy with the proceeds of part of Italy's share of the Boxer Indemnity Fund. The exact details of this agreement have never been made public.

(4) Hangchow is the second most important air center. Here are the schools where American personnel and traditions are predominant and the factory set up to assemble Curtis-Wright products. A similar plant was established in Canton under the independent regime. Whether it will continue under the new dispensation remains to be seen. Other aviation centers have been planned, but not developed.

(5) With the addition of the Kwantung air force, Chiang could probably put about 300 airplanes into the air right now. Within a few months some 40 or 50 planes are to be added. Up to now Nanking has had no modern heavy bombers. This weakness is to be corrected at an early date, with the purchase of American machines similar to those used by the U.S. Army.

f. Anti-Aircraft Artillery.

(1) Nanking is weak in anti-aircraft equipment. 24 modern anti-aircraft guns are in commission and a number of miscellaneous pieces. The principle air centers named above have stationary searchlight equipment, but only six mobile searchlight units are in commission. Nanking has been playing with the idea of aircraft sound detection equipment, but to date has not done much in this important branch of anti-aircraft defense.

[redacted]

g. General.

Woodhead is reasonably accurate as to names of military units, but his figures of numerical strength are probably off, in most cases he overestimates man-power. In recent months the army has undergone considerable reorganization necessitated by the shifting of troops to the south. The exact numerical strength of China's armies is probably not known even to the Ministry of War, as the enlistment and retention of personnel in the lower ranks are still left to provincial commanders in many cases.

2. The correspondent mentioned in par. 1, learned from one of the German advisers that:

a. The Germans are pleased with the progress being made under their direction and estimate that in another six months the Chinese Army will be able to make a good account of itself against Japanese.

b. Company officers and their juniors are capable and willing though lacking in fundamental technical training for the more technical branches.

c. Senior officers are improving but are not up to the standard of junior officers.

Source: As indicated.

William C. Crane

William C. Crane,
Lieut. Colonel, F.A., (DOL),
Military Attache.

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Date Jan. 11, 1965

From: M/A. Tokyo. Report No. 8512 Nov. 10, 1936.

G-2 Report

4-1.

MAY 5 1939 OFFICE CHIEF OF STAFF 6900
MIL., INTEL. DIV.
2009-259
WAR DEPARTMENT

CHINA (Combat)

Subject: Operations, Military - General

Criticism of Tactics

RECEIVED G.S. W.D. MAY 4- 1939

1. In December, 1938, Hsiang Ying, vice-commander of the New 4th Army, gave an interview to an American press man in which he criticized the Chinese command. His remarks indicate that there are officers in the Chinese Army who are alive to its shortcomings. The gist of his remarks is as follows:

"Because on many occasions there has been no unity of command, tactics have been passive instead of active, and commanders are unable to take action according to the requirements of the situation. This has made the attitude of the whole army a passive one.

"Very few Chinese officers have made a thorough study of modern tactics. In the Shanghai operations the Chinese attempted to follow the European style of fighting, which was unsuited to them.

"The tactics of the Chinese army are too old. We must adopt an active defense. We have given up the initiative, and when we attack at all do so frontally instead of by the flank. This is why we have been driven back for seventeen months.

"Most of the Chinese high command graduated from military school before the World War. Their military education was very poor. The army (corps) and division commanders have not done sufficient study of tactics; they got some experience in the civil wars, but never learned the proper use of modern weapons.

"The tactics we use were taught us in Japan and Germany, but in the case of officers educated in Japan, much that they learned was out of date, besides being inadequate because the Japanese withheld a great deal from them, and in the case of officers trained in Germany, the tactics they learned were based on the use of modern weapons which the Chinese lack. National characteristics, and existing conditions and equipment should dictate the nature of our tactics.

"The chief weaknesses in our staff system are the result of the civil wars, where defensive tactics became a matter of course up to the time when the southerners took the offensive in 1926. After the split between the Kuomintang and the Reds, the army lost the offensive spirit. In the campaigns against the Reds, the Central Government troops, failing in their attacks,

adopted a system of block houses by which they gradually closed in on enemy areas. These tactics soon became general and mechanical, so that at the start of the war with Japan, the idea of surrounding an enemy group and slowly closing in on it still persisted. The change from the defensive to the offensive attitude is extremely slow.

"The Chinese officer is trained to obey orders but not to take independent action. He is lacking in initiative. The idea that one man can or should direct every little movement of his subordinates must be abandoned.

"There are too many echelons in our organization. (Note: the chün t'uan and ping t'uan have now been abolished.) As a result orders take too long to get to the troops and many opportunities are lost. The army commander should issue only very general orders and leave the details to subordinate commanders.

"The staff has had little experience. Because of this, reconnaissance is poor; many times the enemy has changed position without the staff's knowing about it. It is imperative that the staff should have full information concerning both sides before planning a fight."

2. Questioned as to his conception of the terms "Position Warfare" and "Mobile Warfare", General Hsiang said:

"Position warfare is a fight between two forces facing each other, and only a well-equipped army can carry it on. A poorly equipped army must adopt mobile warfare, which has the following characteristics:

"a. It is not fought in a definite position. It is as if two armies suddenly met on the road and began fighting.

"b. When the enemy has reached a certain locality and is attacked before he has had time to erect defenses, that would be mobile war.

"c. In mobile warfare flank attacks are the rule. If guerrilla warfare becomes more highly organized, it can develope into mobile warfare.

"d. In mobile warfare the terrain may dictate a positional defense.

"e. In general, position warfare is defensive; mobile warfare is offensive."

Joseph W. Stilwell

JOSEPH W. STILWELL
Colonel, Infantry
Military Attache

Distribution:
6 MID
1 File

Confidential 1-1

AMERICAN EMBASSY
Office of the Military Attache
Chungking, China

AUG 31 1940
MIL. INTEL. DIV.
WAR DEPARTMENT

2009-261

August 1, 1940.

Subject: Training Activities of the Chinese Army in and near Chungking.

To: The A.C. of S., G-2, War Department, Washington, D.C.

During the month of April the Generalissimo received the Military Attaches of foreign powers stationed in Chungking and informed them that in response to repeated requests, he was going to give them an opportunity to observe in detail the training activities of the Chinese Army carried on in and near Chungking. A few days later invitations to attend a review and demonstrations of training were issued to the following, in addition to the undersigned:

Colonel N. V. Roschin, Russian Military Attache
Lieut. Colonel L. Yvon, French Military Attache
Wing Commander James Warburton, British Air Attache
Major K. E. F. Millar, Assistant British Military Attache

The invitation stated that the demonstrations and the review would cover a period of two days, and would be conducted under the supervision of the Garrison Commander of Chungking, General Liu Chih, by the Replacement Training Center of the Ministry of Military Training of the Military Affairs Commission.

The review took place on the morning of April 22nd in the athletic stadium of Nankai Middle School, near Chungking. Troops participating in the review consisted of two provisional regiments, with attached troops, each regiment organized as follows:

3 battalions, each composed of three rifle companies and one machine gun company of six guns.
1 trench mortar company of six mortars.
1 battery (four guns) of anti-tank guns (37 mm. Infantry cannon).
1 Signal Section of two N.C.O.'s and 13 men.
Note: Infantry company composed of three platoons of three sections each with one light machine gun per section.

Total strength of each provisional regiment was about 2,300 men. We were informed that the standard division of the Chinese Army is composed of three such regiments, plus a depot regiment to supply immediate reinforcements in the field. It was stated, however, that many divisions were not organized in this way at present. The general in command

File MCOP

of the Training Center stated that he had under him four such regiments quartered in villages near Chungking and that there were between thirty and forty other Training Centers similar to the one commanded by him in other parts of China. This general, a well set-up and intelligent appearing man of about forty four years of age, stated that he had been on almost continuous active service since his graduation from the Paoting Military Academy in 1922. He gave the impression of being a capable officer and his opinions on military and political conditions in foreign countries seemed sound and well considered.

In addition to the two provisional regiments there took part in the review four anti-air craft guns, five armored cars, and a Vicker's predicter with its electrical equipment. According to the British Air Attache, the Vickers predicter is a most complicated piece of apparatus, requiring a high degree of skill and training to operate properly, designed to give information concerning approaching airplanes.

The following points were noted in connection with weapons of the troops participating in the review:

Antiaircraft guns: Stated to be of Bofors manufacture, caliber 75 mm., tractor drawn.
Antitank guns: Chinese copies of Italian models, caliber 37 mm., hand drawn,
Armored Cars: Light four-wheeled cars of Czech manufacture carrying one light machine gun.
Trench Mortars: 82 mm. Stokes-Brandt, carried on the shoulders of two men like a sedan chair.
Heavy Machine Guns: Better described as light machine guns with heavy tubular mounts. Legs of the mount are telescopic to permit fire against aircraft. The gun is carried by hand on its mount and is probably a Madsen.

No opportunity was afforded to inspect the weapons listed above.

Light Machine Guns: Variously reported by Chinese officers at the review as Brens or Madsens. Closer inspection at field firing exercises held later revealed them to be Brownings fired off a folding tripod.

Grenade dischargers carried by the troops were of a special type developed by the Chinese to take a wooden-handled "potato masher" type of grenade. The discharger is placed over the muzzle of the rifle and the grenade is ejected by a ballistite cartridge. There is no gas vent, and the range is regulated by the extent to which the handle of the grenade is inserted into the discharger, thus increas-

ing or decreasing the pressure. The handle of the grenade is graduated to vary the range up to 250 meters, and a felt washer attached tot he end of the handle prevents the grenade from slipping further into the discharger when the handle is not fully inserted.

The grenades have a time fuse of six to seven seconds armed after a pin has been removed. This fuse is ignited by the shock of the discharge. When the grenade is thrown by hand the fuse is ignited by striking against a hard object.

All the weapons described above appeared to be well cared for.

In passing in review the troops used the goose step incorporated into their drill regulations by the Japanese who wrote the first Chinese military text books. The Japanese had learned the step from the Germans. The appearance of the troops was good, and their uniforms were clean and well fitted. Marching, except for the use of the outmoded goose step, was particularly good. We were informed that the troops were all recruits who had had no more than three months instruction. Officers, so we were informed, were all from the Regular Army, most of them graduates of the Central Military Academy. Some of the officers, so it was stated, had been attached to the training center after having recovered from wounds in hospitals in and near Chungking. Non-commissioned officers were said to be all trained men.

After the review, demonstrations were given by a squad and a section of school of the soldier and formal Machine gun and trench mortar drill. All of this drill was stiff, formalized, and old-fashioned in the extreme.

After luncheon, at which the foreign observers were the guests of the Garrison Commander, and a hurried drive into the country during an air alarm, we witnessed a demonstration of an attack by a platoon acting independently against a position held by a force of equal strength. Both attackers and defnders were present on the ground.

The general conditions of the problem were explained to us, and we then heard the platoon leader issue the order for the attack to his section leaders, but we had no opportunity to observe the approach march . The order was issued only to two section leaders, as one could not be located, and it was left to a runner to find him and transmit the platoon leader's order. The order was given hurriedly and had apparently been rehearsed in advance. It was repeated sentence by sentence, in parrot-like fashion, by the two section leaders present, after which latter joined their sections and the attack began.

The attacking platoon had to cross a deep ravine to reach their objective, and this prevented us from observing

the actions or formations of the individual sections as they advanced. From what little could be observed of the actions of the platoon leader, he had little if any control of his platoon. Fire was opened with blanks in haphazard fashion at a range of about eight hundred yards. No attempt was observed in the final stage of the attack to advance under covering fire.

No opportunity was afforded to observe the conduct of the troops in the defense except in the final attack when the platoon in the defense was observed lying in an almost straight line in front of the position defended. ~~Both~~ Attackers and defenders exchanged fire at ranges of hundred yards and under. The problem ended when the attacking platoon fixed bayonets and charged while the defending troops did the same and rushed forward to meet the attacking force. At this point the exercise was called off. As far as could be determined, no critique was held at the conclusion of the exercise.

The director explained the poor execution of the exercise by the fact that the troops had had no previous training along this line. To the writer, however, this did not condone the faulty manner in which the order for the attack was delivered, the lack of control on the part of the platoon leader after the attack got under way, the lack of coordination between sections, and the failure to make use of covering fire. We were informed that both platoon leaders were graduates of the Central Military Academy and had had front line experience. The non-commissioned officers were also said to be trained, experienced men.

A commendable point was the good use made of individual camouflage by covering the head and shoulders with leaves.

On the morning of April 23rd werwere taken to a village near Chungking where we inspected the barracks of a company of one of the replacement regiments. These were located in a Catholic mission compound and were exceptionally well policed. All installations were of the simplest variety and constructed from locally available materials. The men's bunks were clean and their equipment well arranged.

After the inspection of barracks wewere shown a trench system for a platoon in defense. This had been constructed by the recruits under the direction of officers and non-commissioned officers of the regular Engineer Corps. The position was well organized, and included communication trenches, crawl trenches, positions for light machine guns, and firing trenches, all well sited and constructed in accordance with modern infantry methods.

A demonstration of "demolitions" consisted of blowing a hole in the ground with a charge of black powder which had

been planted previous to our arrival on the scene. The electrical device which set off the charge was of the latest German manufacture and of a very convenient type, being only about as large as a canteen.

A demonstration of wire-cutting, supposedly at night, was well carried out by Engineer troops. The men crawled forward in absolute silence, making excellent use of all available cover. The wire-cutters carried were of efficient and modern design. A section of previously constructed double-apron wire fence appeared entirely up to our standards.

In the afternoon we witnessed a demonstration of musketry firing on a "B" range, the conditions being those of a platoon in attack. We saw no approach march and heard no order issued. Firing took place in only one position, from the crest of a ridge about three hundred yards from a number of field firing targets arranged to give a very sketchy simulation of a platoon deployed in skirmish line with a few individual soldiers covering the flanks. A moving target was supposed to represent several men walking along a trench. All targets were conspicuously large and plainly visible. Examination of the targets after completion of the firing showed they had been hit a number of times, as was to be expected.

Fire on the targets was from rifles and light machine guns. There was no attempt to coordinate the fire of the two weapons and no advance under covering fire from the crest of the ridge. There was no fire direction except for the light machine guns. After fire had been maintained for about ten minutes, the exercise was ended and the targets brought in for examination. No critique or explanation of the results of the exercise was heard, although both the platoon engaging the firing and the company from which it had been taken were assembled at the firing position.

Summing up the impressions received from the demonstrations, it appears to the undersigned that the rear area training of the Chinese Army is in a primitive state judged by modern standards. The most that can be said of it is that it is better than nothing, and troops who have received this training should have some idea of the rudiments of close and extended order drill, should be to some extent accustomed to military discipline, should know how to operate their rifles, and understand a little of military sanitation.

The recruits which we observed were reported to have been enlisted or drafted almost entirely from Szechuan. Their general physical standard was low and a number were suffering from skin and eye diseases. A chart seen in a company orderly room showed that 98% of the organization had been farmers or common laborers.

The general commanding the Replacement Center stated

that r eplacements are sent to the front aregiment at a time and are not broken up into smaller units after arrival thereat.

David D. Barrett,
Major, Ordnance Dep't.,
Assistant M/A.

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2 Enclosures

2009-262

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MILITARY INTELLIGENCE DIVISION

WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHÉ REPORT CHINA

Country Reported On

Subject Conventional Signs I.G. No. 6700

Brief Descriptive Title

Source and Degree of Reliability: RECEIVED G/2 W.D. MAR 5 1941

Source: Handbook published by the Provisional Gov't, Peiping, & translated in the M.A.'s office.

Reliability: Good

Summarization of Report

When Required

Translation of manual on conventional signs for use by the new Chinese Army, published in 1938 by the Ministry of Public Safety of the then Provisional Government of North China.

In Comments on Current Events Enter Item Headings Here

1. This pamphlet of conventional signs is designated for training cadets and non-commissioned officers of Puppet Army in North China. The original manual is poorly printed and contains many typographical errors. In general, these conventional signs follow the practice used in the Japanese Army.

WILLIAM MAYER
Lieut-Colonel, Field Artillery
Military Attache

Distribution:
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1 N/A
2 File

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From M. A. China Report No. 9947 Date February 2, 1941

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WAR DEPARTMENT
OCS Form 17

U. S. GOVERNMENT PRINTING OFFICE 16—14547

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OFFICE CHIEF OF STAFF
MIL., INTEL. DIV.
MAR 7 1941
6-1 2009-262
1
WAR DEPARTMENT

CONVENTIONAL SIGNS FOR ARMY TROOPS

* * * * * * * * * *

Ministry of Public Safety
The Provisional Government of China

August 10, 1938

General Orders)
)
No. Chiao/9)

1. The following conventional signs for Army troops are announced.

(Signed) Chi Hsieh-yuan
Minister

* * * * * * * * * * *

I.

Directions

1. As a rule conventional signs are colored with deep red representing the enemy and deep blue our own side.

2. For the purpose of facilitating the use of these signs, it is advisable to accompany them with brief notations. In case that a symbol is needed but is not included in this pamphlet of conventional signs, a temporary sign with notation may be appropriately created.

3. The capital letter S is employed to indicate an independent organization, e.g. SB for independent brigade.

4. A continuous dotted line is used to indicate a boundary or a specially designated area and an arrow to indicate direction of attack, an emphasized point of attack, or direction of troop movement.

5. In marking organization numbers the Roman numerals are used for battalions only, and Arabic numerals for other organizations, e.g. 2i (2nd Inf. Regt), 18P (18th Engr. Regt.), etc.

6. When it is necessary to indicate the numbers of organizations, weapons or aeroplanes, they are briefly noted in brackets such as i(五營)=5 inf. bns., K(四連)=4 cavalry troops, A(三營)=3 bns. F.A., P(一排)=1 engr. plat., 个(2) 2 inf. howitzers, 出 (8) 8 field guns, 中(2) 2 planes, etc.

7. When in marking a certain organization it is required to indicate also the organization immediately above it, a diagonal is used to separate the former at the upper left from the latter at the lower right side of the diagonal, e.g. III/2i for the 3rd Battalion of the 2nd Inf. Regiment.

8. For platoons and squads, the company number is indicated in the form of a fraction, such as $\frac{1}{16}\frac{2}{5K}$ for one squad of the 2nd of the 5th Cavalry Regiment.

9. When part of an organization is lacking, the shortage is noted in brackets, e.g. 2i (-8.12) meaning that the 2nd Inf. Regiment less the 8th and 12th companies

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II. For Field Units

1. General Signs

Sign	Abbr.	Name
		General Headquarters
		Commander-in-Chief's Headquarters
		War Zone Army Headquarters
	A	Army Corps
		Army Corps Headquarters
	C	Army Group
		Army Group Headquarters
	D	Division
		Division Headquarters
	B	Brigade

Sign	Name
SM	Heavy trench mortar
	Grenade discharger
TK	Tank

2. Signs for the Infantry.

Sign	Name
i	Infantry
	Infantry brigade headquarters
	Infantry regimental headquarters
	Infantry battalion headquarters
	Infantry detachment
	Assembled formation of infantry battalion

Cavalry signal squad

Signs for the Field Artillery

Field Artillery troops

Mounted artillery troops

Mountain artillery troops

Heavy field artillery troops

Line of guns

Field artillery detachment

Line of field guns

Marching formation of field artillery

Observation squad

Brigade observation post *

Regimental observation post *

Battalion observation post *

Infantry gun

Heavy field gun

Special gun

Gun (as compared to howitzer)

Howitzer

5. Signs for the Engineer Corps

P

Engineer Corps

Engineer battalion headquarters

Engineer detachment

(Note: For other features, infantry signs may be used.)

6. Signs for Signal and Searchlight Troops

Field telegraph detachment headquarters

Sign	Abbr.	Name
	TL	Field telegraph detachment
	DTL	Signal detachment (Air signal det. -FTL)
		Telegraph post
		Telephone post
		Telephone (for discrimination the sign is used for telephone of the bell type)
		Telephone switchboard
		Switch
		Sound locator
		Simplex coil (telephone)
		Automatic telephone
		Wave length meter

Wireless telegraph headquarters

Wireless telegraph detachment

Mobile radio station *

Fixed radio station * (Note: * For air signal, add ✢ as ⋈)

Field searchlight troops

SW

Searchlight

Observation post

PT

Signal pigeons

Pigeon cart

Aerodrome

Landing field (type of plane should be noted)

Emergency landing field

Airship

Balloon detachment headquarters

Balloon detachment

Balloon in position

Air observation post

Headquarters of fixed anti-aircraft artillery detachment

4. Sound locator

5. Anti-aircraft searchlight

6. Baggage and transport detachment

Light baggage (1st line transport)

Heavy baggage (2nd line transport)

Bridging train company (?)

Transport, Corps

Assembly of transport wagons and marching formation

Field hospital. (Note: The sign for a hospital already established shall be capped with ^ as ⊕ .)

Remount depot

Sanitary (medical) troops

Stretcher company

Wagon company

Dressing station

Veterinary dressing station

Small outpost detachment

Non-commissioned officer outpost

Single or double outpost

Non-commissioned officer patrol (cavalry)

Non-commissioned officer patrol (infantry)

Observation post

3. The front side of the blocks are enclosed within quadrilaterals often made with a thicker line, with the organization numbers noted within and without.

4. The billeting areas, divisions and lock-out areas are noted in the same manner as the outposts are.

Supply depot

Munition depot

Watering (horse) point

Picket line

5

Trench mortar pit

Trench mortar pit

Machine gun pit

Machine gun pit

Machine gun pit

Machine gun pit

Ocean navigation

Main ships of ocean transportation

Auxiliary point of ocean transportation

Anchorage for transports (the name of the transport is noted within the sign.)

Buoy

Light buoy (filled with the actual color)

Boom or defense net

Mine field

Workyard of embarkation headquarters

Ship entrance

Signal post of embarkation headquarters

Small steam boat

Flat bottom boat

Horse transport

Orderly boat

Name

Main motor vehicle depot

Motor vehicle depot

Branch motor vehicle depot

Reserve animal depot*

Veterinary depot of a post on the line of communications*

Hospital on a post on the line of communications*

Reserve field hospital*

* The sign for those already established is capped with ^)

Field medical supply depot

Wounded evacuation post

Medical clinic

Assembly point of the wounded

[illegible] overseer detachment

Transport troops

[illegible] purchasing department

[illegible] works department

[illegible] anti-epidemic department

Message center

III. Signs for siege troops

FA	Heavy(siege)artillery troops, or heavy fortress artillery troops
NA	Naval gun
	Heavy artillery headquarters
	Siege engineer headquarters
	Heavy (fort) artillery battalion headquarters headquarters
	Fort hospital

Semi-permanent battery (guns)

Permanent battery (howitzers)

Semi-permanent battery (howitzers)

Gun turret

Permanent emplacement

Delivery point of machine and material

Material

Weapon repair factory

Weapon repair atelier

Field gun

Howitzer

Mortar

Sg

Submarine squadron

Destroyer squadron

Gunboat squadron

Destroyer squadron (battle)

Submarine battle squadron

Mine layer battle squadron

Mine sweeping battle squadron

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MIL. INTEL. DIV.
JUN 15
1921
2331-J-33
WAR DEPARTMENT
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1- May, '21.

China
Economic

NOTED M. I. 2

(19) Factories

(58) Equipment

List of Shantung factories and workshops within Japanese jurisdiction:

NIKKA-SANSHI Co., Wakazuru Str., Silk filature, Capital G.Y. 2,500,000., Site 17,900 sq.tsubo. Building 5,034 cu.tsubo. 25 H.P. Elect., Employ 1000 Japanese and Chinese.

SEITO SHISHYO TOWA Co., 2 Chyome,. Proprietor S.Miyke, Oil extracting refinery and peanut grading. Capital G.Y.1,000,000,: Site 6,941 sq.Tsubo. Building 1,135 cu.tsubo. 87.5 H.P. Elect. Employ Japanese 52 Chinese (Male) 200 (Female) 200.

TOYO-SEIYU Co., 2 Chyome,. Oil extracting refinery and peanut grading. Capital G.Y. 800,000 Site 6,962 sq.tsubo Building 1,086 cu.tsubo. 35 and 18 H.P. Elect., Employ 120.

SANTO-YUBO, 2 Chyome,. Proprietor T.Hayashi, Oil extracting refinery and peanut grading., Capital G.Y.1,000,000 Site 13,880 sq.tsubo Building 594 cu.tsubo, 120 H.P. Elect., Employ 100.

MITSUI-YUBO, 2 Chyome.,Proprietor Mitsui Bussan Kaisha, Peanut grading, oil and tallow refining. Capital. Head office furnished. Site 4,920 sq.tsubo. Building 785 cu.tsubo. 35 H.P. Elect. Employ 300.

SEIKO-SEIYU Chkawa Str., Recasing peanut and vegetable oil. Capital G.Y.1,000,000. Site 1,170 sq.tsubo. Building 325 cu.tsubo. Power Steam. Employ —.

SUZUKI Co., No.14 Sanjyo Str. Oil refining., Site, 2,200 sq. tsubo. Building 525 cu. tsubo. 15 H.P. Elect.

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(19) Factories

(58) Equipment, (Cont'd).

YOSHIZAWA-YUBO No.9 Sakai Str. Veget. oil refining., G.Y.1,000,000. Site 1,777 sq.tsubo. Building 500 su.tsubo. Employ 72.

MINEMURA-YUBO Hazakura Str., Prop. S.Minemura. Oil refining and cotton pressing. Capital S.Y. 500,000. Site 1,725 sq.tsubo. Building 429 cu.tsubo. 15 H.P. steam. Employ 25.

SHINRI YUBO 2 Chyome, Wakazuru Str., Oil,and tallow refining. Capital S.Y. 50,000. Site 765 sq.tsubo. Building 161 cu.tsubo. 10 H.P. steam. Employ Jap.,2 Chi. 87.

YUASA YOKO Hazakura Str. Prop. T.Yuasa., Oil refining and cotton pressing. Capital G.Y. 5,000,000 Site, 3,900 sq.tsubo. Building 143 cu.tsubo. 114 H.P. steam. Employ 15.

TAIRI SHYOKAI Hauagiri Str. Prop.M.Matsuzaki.,Oil refining etc.,Capital G.Y.80,000. Site 1,375 sq.mt and 162 sq.tsubo. Building 130 cu.tsubo. 8 H.P. steam. Employ 30.

SEITO-SEIFUN Co. Mikazuki Str. (Taitung chem) Flour mill. Capital G.Y. 500,000. Site 5,667 sq.tsubo. Building 1,438 cu.tsubo. 275 H.P. Elect. Employ 72.

SANTO-HATABAKO Co. Shiba Str. Prop. K.Ito,. Redrying tobacco. Capital G.Y. 500,000.,Site 3,028 sq.tsubo. Building 366 cu. tsubo. 45 H.P. Elect. Employ 92.

TOHO KOSHI Hayagiri Str. Prop. Y.Fukuda,. Work upon waste tobacco leaf. Capital G.Y. 399,000 Site 400 sq. tsubo. Building 300 cu.tsubo. 7.5 H.P. Elect. Employ 40.

(19) Factories

(58) Equipment (Cont'd)

DAIREN SEIHYO Co Mikazuki Str. Ice manuf't. table water., Capital G.Y. 500,000. Site 1,074 sq.tsubo. Building 357 cu. tsubo. 63 H.P. Elect. Employ 62.

SEITO-ENGYO Co. Hayagiri Str., Salt grinding and refining. Capital G.Y. 1,000,000. Site 2,336 sq. tsubo. Building 1,630 cu.tsubo. 24 H.P. Elect., Employ 125.

SANTO-KAGAKUKOGYO Co. 2 Chyome, Wakazuru Str., Prop. S.Isono,, Tallow. Capital G.Y. 100,000. Site 2,471.sq.tsubo. Building 208 cu.tsubo. 25 H.P. Steam. Employ Japs 5, Chinese 300.

NAGASE YOKO 2 chyome, Wakazuru Str. Peanut oil refining and grading. Capital G.Y.6,000,000 Site 3,290 sq.tsubo. Building 307 cu tsubo. 5 H.P. Elect., and 20.9 H.P.Steam.

NISSHI TAMPUN Co. Hayagiri Str., Prop. T.Ishibashi,. Egg factory. Capital G.Y. 500,00. Site 1,500 sq.tsubo. Building 435 cu.tsubo. 15 H.P. Steam.Employ 175.

TAISEI KOSHI Sakai Str.,Prop. T. Arai, Egg factory. Capital G.Y.160,000. Site 1,161 sq.tsubo.Building 633 cu.tsubo. 175 H.P. Steam.Employ 296.

SANTO SEIJIKU Co. 2 chyome, Wakazuru Str.,Prop. K.Nakamura. Match factory. Capital SY. 100,000. Site 4,528 sq.tsubo. Building 366 cu.tsubo.150 H.P. steam. Employ Chinese 120 Japs 5.

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(15) Factories

(58) Equipment (Cont'd)

WADA SEIZAISHO 2 chyome, Wakasuru Str. Sawmill. Capital G.Y. 250,000. Site 3,270 sq.tsubo, Building 530 cu.tsubo. 150 H.P. Steam. Employ 98.

SANTO KASHI Co. Taitung chen Prop. K. Kobayashi, Matches. Capital G.Y.1,000,000. Site 4,200 sq.tsubo. Building 1,350 cu.tsubo. 20 H.P. Steam. Employ 662.

TOHRO MATCH CO. Site 4,900 sq.tsubo. Building 1,250 cu.tsubo. 5 H.P. Steam. Employ 720.

SEITO-MATCH Co. Taitung chen. Matches. Capital G.Y. 300,000. Site 4,485 sq.tsubo. Building 1,654 cu.tsubo. 10 H.P. Steam. Employ 750.

CHYUKA-SHYOKUFU Co. 2 chyome, Wakasuru Str., Weaving. Capital G.Y. 500,000. Site 672 sq.tsubo. Building 325 cu.tsubo. 40 H.P. Steam.

SEITO HARISEIZO Co. Tsuboi Str. Glassware., Capital G.Y. 500,000. Site 300 sq.tsubo. Building 109 cu. tsubo. Employ Japs 50 Chinese 65 & 11.

DAINIPPON BEER Co. Inui Dohri., Brewery. Site 34,765 sq.tsubo. Building 1,600 cu.tsubo. 50 H.P. Steam. Employ 138.

SANTO MEMBO Co. Aoyagi Str. Prop. T.Yao,. Cotton and thread and yarn. Capital G.Y. 250,000. Site 1,000 sq. tsubo. Building 141 cu.tsubo. 10 H.P.Steam. Employ 100.

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China
Economic

(15) Factories

(58) Equipment. (Cont'd)

SANTO-KASEI Co. Taishi chen., Prop. K.Kaneko. Bone powder and glue. Capital S.Y. 100,000. Site 2,380 sq. tsubo. Building 141 cu. tsubo. 10 H.P. Steam. Employ 11.

MEIJI-SEIKAKU Co. Taishi chen. Hide tanning. Capital G.Y.2,000,000. Site 16,000 sq.tsubo Building 60 cu.tsubo. Employ 15.

TOKUSEIYOKO. Taishi chen., Prop. K.Ishi-i. Tanning. Capital G.Y. 200,000. Site 550 sq.tsubo. Building 300 cu.tsubo. 10 H.P. Steam. Employ 66.

SHINJYO-SHYOTEN Taishi Dori., Prop. G.Shinjyo. Beef. Capital G.Y.100,000. Site. 120 sq.tsubo. Building 110 cu. tsubo. Employ 10.

NANIWA-SEIYU Co. Taishi Dori., Prop. Y.Fukui. Bean oil refining and extracting. Site 1,400 sq.tsubo. Building 100 cu.tsubo. Employ 20.

TAKAHASHI-GENEN-FUNSAI Co. Taishi chen North Strand., Prop. U.Takahashi. Salt grinding. Capital G.Y. 150,000. Site 3,500 sq.tsubo. Building 200 cu.tsubo. 10 H.P. Steam. Employ 45.

SEITO-SHYOYU Co. Miyama Str. Cerals soya. Capital G.Y. 500,000. Site 300 sq.tsubo Building 200 cu tsubo. Employ 38.

SEITO SOMEMONO Co. Daikoku Str. Dyeing. Capital G.Y.200,000. Site 120 sq.tsubo. Building 67 cu.tsubo. Employ 25.

(15) Factories

(58) Equipment (Cont'd).

SEITO-KAMABOKO SEIZO Co. Dekikoku Str. Kamaboko (a kind of fish food). Capital G.Y. 50,000. Site 15 sq. tsubo. Building 15 cu.tsubo.Employ 15.

TOYO-SHOKUSAN Co. Litsuen., Knitting and panama hats. Capital G.Y. 100,000. Site 1,000 sq.tsubo Building 100 cu tsubo. Employ 240.

SEITO-SHIMPO.Printing Dept. Shimoka Str. Prop. T.Kido-o. Printing paper. Site 650 sq.tsubo.Building 505 cu tsubo. 11 H.P. Steam. Employ 150.

TOYO-INSATSU SHO Unsen Str. Prop. I.Masaki. Gen.printing and book binding. Capital G.Y. 50,000. Site 90 sq tsubo. Building 70 cu tsubo. 7 printing machines. Employ 35.

UCHIDA YOKO'S Printing Dept. Koto Str. Prop. K.Uchida. Gen. printing and bookbinding. Capital G.Y. 10,000. Site 35 sq tsubo. Building 30 cu tsubo. 3 printing machines. Employ 12.

DOJINGO Santo Str. Prop. T.Yorimoto. Gen.printing and bookbinding. Capital G.Y.50,000. Site 50 sq tsubo. Building 50 cu tsubo. 6 printing machines. Employ 50.

SHINSHYO-YOKO Hiroshima Str. Prop. N.Tsuge. Soap and candles. Capital S.Y. 60,000. Site 1,224.Building 400 cu tsubo. 5 H.P. Steam. Employ 125.

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Chita
Economic

(15) Factories

(58) Equipment (cont'd)

Marubishi Co. Shisucka Str. Prop. T.Nomura. Ironwork. Capital G.Y.300,000.Site 651 sq tsubo. Building 267 cu tsubo. 5 H.P. Steam.Employ 42.

TOKDO SHYOKAI Wakasuru Str.2 chyome Prop.K.Toda, Ironwork. Capital G.Y. 150,000.Site 720 sq tsubo.Building 300 cu tsubo. 10 H.P. Steam. Employ 24.

TENTOKU TEKKO Co. Wakasuru Str. 2 chyome.Prop. R.Takahashi. Ironwork and casting.Capital G.Y.300,000. Site 3,215 sq tsubo.Building 227 cu tsubo. 7.5 H.P. Steam. Employ 76.

HOSEI KONSU Hayagiri Str. Prop T.Okamoto. Ironwork.Capital G.Y.100,000.Site 800 sq tsubo.Building 300 cu tsubo. 25 H.P.Steam.Employ japs.13 Chinese 200.

HORIMUKI TEKKO Co. Hayagiri Str.Prop K.Horimuki.Capital S.Y. 10.000.Site 50 sq tsubo.Building 50 cu tsubo. Employ 50.

OTSUKA TEKKO Co. Hayagiri Str. Prop K.Otsuka.Capital S.Y.10,000. Site 50 sq tsubo.Building 30 cu tsuboEmploy 20.

SHYOJI TEKKO Co. Hayagiri Str. Prop E.Shyoji.Ironwork.Capital G.Y.5,000.Site 10 sq tsubo. Building 10 cu tsubo. Employ 20.

UDAKA TEKKO Co.,TAITO KOSHI Wakasuru Str.2 chyome. Prop. M. Udaka. Ironwork. Capital G.Y.10,000. Site 100 sq tsubo. Building 65 cu tsubo.Employ 18.

(15) Factories

(58) Equipment (Cont'd)

KAGUHEIAEN Co. Saiwai Str. Prop K.Ito.Foreign and Japanese furniture. Capital G.Y.30,000.Site 280 sq tsubo.Building 100 cu tsubo.Employ 42.

YUBAIGO Co. Santo Str. Prop S.Sugitani.Foreign and Japanese furniture.Capital G.Y.40,000.Site 350 sq tsubo. Building 200 cu tsubo. Employ 20.

MORI WAIGKASU Co. Saga Str. Prop S.Mori. Furniture making. Capital G.Y.30,000. Site 170 sq tsubo.Building 100 cu tsubo.Employ 70.

[illegible] TOKO Ichibacho. Furniture making.Capital G.Y. 20,000.Site 36 sq tsubo.Building 36 cu tsubo. Employ 15.

IPPONGI Co. Aisuru Str. Furniture makers.Capital G.Y. 50,000. Site 210 sq tsubo.Building 105 cu tsubo. Employ 80.

IKEDA KAGU Co. Tenshin Str. Furniture makers.Capital G.Y. 8,000.Site 60 sq tsubo.Building 39 cu tsubo. Employ 14.

KAWAGUCHI Co. Taiko Str. Furniture makers.Capital G.Y.2,500. Site 30 sq tsubo.Building 30 cu tsubo. Employ 20.

MIKADO GARAGE Hijiyama Str. Motor hire and repair.Capital G.Y.800,000 Site 338 sq tsubo. Building 251 cu tsubo. 5 H.P. Employ 15.

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(15) Factories

(58) Equipment (Cont'd)

SEITO-INSATSU Co. Lisen Str. Prop S.Yamashita. General printing. Capital G.Y.100,000.Site 60 sq tsubo. Building 50 cu tsubo. Employ Japs 8,Chinese 35.

NIKKA SHARKO Co. Eijiyana Str. Rickshaw garage manuf't and repair.Capital G.Y.200,000.Site 510 sq tsubo. Building 300 cu tsubo.Employ 52.

NAKAMURAGUMI SALT WASHING Co. Water Brake Seito Harbour. Salt washing and grinding. Capital G.Y.100,000. Site 2,988sq tsubo.Building 228 cu tsubo. 35 H.P. Steam. Employ Japs 4, Chinese 65.

SEITO EKIYO CO. Water Brake Seito Harbour., Salt washing and grinding. Capital G.Y.100,000.Site 626 sq tsubo.Building 380 cu tsubo. 8 H.P. Steam. Employ 53.

SEITO BUSSAN Co. Chiawa Str. Prop K.Hiwasa.Peanut grinding etc. Capital G.Y.150,000.Site 6,167 sq tsubo. Building 243,cu tsubo. 5 H.P.Steam. Employ 450.

SEITO KOSEN Co. Tansan. Mineral Water. Capital G.Y.1,500,000. Site 2,098sq tsubo.Building 334 cu tsubo. Employ Japs 8, Chinese 10.

BIRON KOGYO Co. Miyama Str. Funiture. Capital G.Y.500,000. Site 186 sq tsubo.Building 36 cu tsubo. Employ 20.

SITO SHOKURYOHIN Co. Inuidor.Taitung shen. Manufacturing misosoy,etc. Capital G.Y.100,000. Site. 1,000sq tsubo. Building 82 cu tsubo. Employ --

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(15) Factories

(58) Equipment (Cont'd)

TSINGTAUVA Co. Tokorozawa Str. Shoes and bags. Capital G.Y. 100,000. Site 28 sq tsubo. Building 28 cu tsubo. Employ 18.

SEITO SESHU JYOZO Co. Uson Str. Sake. Capital G.Y.50,000. Site 70 sq tsubo. Building 60cu tsubo. Employ 5.

SANTO SEISHU JYOZO Co. Miyamae Str. Sake. Capital G.Y.50,000. Site 24 sq tsubo. Building 24 cu tsubo. Employ 5.

SANTO KANZUME Co. Pekin Str. Prop. S.Yamaguchi,.Canned meat etc. Capital G.Y. 7,000. Site 50 sq tsubo.Building 50 cu tsubo. Employ 12.

HAIZUKA SEIFUN Co. Wakazuru Str.2 chyome Prop. H.Haizuka,. Flour mill. Capital G.Y.50,000. Site in Tentoku iron factory. Building 72 cu tsubo. 5 H.P. Steam. Employ Japs 9 Chinese 20.

TANAKA YOKAIGA Co. Sainan Str. Prop. S.Tanaka,. Tiles.Capital G.Y.30,000. Site 85 sq tsubo. Building 85 cu tsubo. Employ 20.

KENZAISHA SEIGA Co.Wakazuru Str. 2 chyome.Prop. K.Nishio,. Tiles. Capital S.Y.3,000. Site 200 sq tsubo. Building 80 cu tsubo. Employ 20.

AOYAMA RENGA Co. Nishi Gokayison. Prop M.Aoyamo,. Bricks. Capital S.Y.3,000.Site 1,300 sqtsubo. Building 15 cu tsubo. Employ 50.

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(15) Factories.

(58) Equipment (Cont'd)

AOUAMA RENGA Co.Chyuka si. Bricks. Capital S.Y. 3,000.Site 700 sq tsubo.Building 15 cu tsubo. Employ 50.

TSUKADA YOKO Taitochin Road & Shiho Road corner. Match Boxes. Capital G.Y.20,000. Site 1,000 sq tsubo. Building 20 cu tsubo. Employ 18.

ASHI RENGA Co.Nishi Ocason. Prop. K.Nishio. Bricks. Capital S.Y.10,000.Site 2,500 sq tsubo. Building 30 cu tsubo Employ 36.

MURAMOTO RENGA Co. Taitochin. Bricks. Capital S.Y. 2,000. Site 1,500.sq tsubo. Building 25 cu tsubo. Employ 51.

ASHI REHGA Co. Chyu si. Prop K.Nishio. Capital S.Y.6,000 Site 3,000 sq tsubo. Building 15 cu tsubo. Employ 46.

JUNGOSEI Shyosonshyo. Prop T.Fujiki. Brick by hand. Capital S.Y.2,000. Site 3,010 sq tsubo. Building 22 cu tsubo. Employ 59.

TOKUDA GUMI Shyosonshyo. Bricks. Capital S.Y. 2,000. Site2,970 sq tsubo. Building 22 cu tsubo.Employ 52.

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China
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(15) Factories

(58) Equipment (Cont'd)

OTA YOKO Shimoshiho,.Prop T.Ota. Bricks.
Capital G.Y. 3,000. Site 3,000 sq tsubo.
Building 20 cu tsubo. Employ 56.

OSHIRO YOKO Shihoson,S. Prop T.Tsushiro. Bricks.
Capital G.Y.3,000. Site 4,005 sq tsubo.
Building 35 cu tsubo.,Employ 32.

KOTO RENGA Co. Koto.Prop T.Hirayama. Brick & tile.
Capital S.Y.20,000.Site 15,000.Building,
1,100cu tsubo. Employ 300.

SEITO SEIKAN Co. Taitungchin. Prop G.Miyamoto.
Manuf't can or oil.Capital G.Y.500,000.
Site 4,000 sq tsubo. Building 600 cu
tsubo. Employ Japs 4 Chinese 4.

OKURA GYUHI Co. Taiseichin. Prop. T.Ishibashi,.
Capital S.Y.300,000. Salting hides.
Site -- Building 120 cu tsubo. Employ
15.

ISHIN KAGAKU KOGEISHA. Taiseichin. Prop K.Kojima.
Dye. Capital S.Y.2,000 Site --
Building 60 cu tsubo.Employ 16.

KATEI KOSHI. Taitochin.Prop T.Matsunami. Soap.
Capital S.Y.5,000 Site -- Building
130 cu tsubo. Employ 8.

HOJYO YOKO. Taituichen. Prop K.Imachi. Japanese
sake. Capital G.Y. 15,000 Site --.
Building 160 cu tsubo. Employ 8.

1-May, '21.

China
Economic

(15) Factories

(58) Equipment (Cont'd)

IMONO Co. Sanjyo Str. Prop E.Ishida. Castings. Capital S.Y. 50,000. Site -- Building, 300 cu tsubo. Employ 43.

KUTAMA TEKKO Co. Hayagiri Str. Prop K.Sasgi. Ironworks.Capital G.Y.10,000. Site--, Building 30 cu tsubo.Employ 23.

TOBAYOKO TEKKO Co. Miyama Str. Prop T.Tokiwa. Iron ware for mine, water supply. Capital G.Y.300,000. Site --,Building 30 cu tsubo. Employ 30.

WATANABE MOKKO Co.Chokurei Str. Funiture. Capital G.Y.3,000 Building 50 cu tsubo. Employ 23.

KAWAGUCHI MOKKO Co. Taku Str. Prop Y.Kawaguchi, House furniture.Capital G.Y.10,000. Building 60 cu tsubo.Employ 3o.

YAMAGUCHI SEIGA Co. Sainan Str. Tile. Capital S.Y. 20,000. Building 90 cu tsubo. Employ 22.

SANTO RENGA Co. Koto. Prop T.Hirayana. Capital S.Y. 10,000. Brick & tile. Building 100 cu tsubo. Employ 130.

TAKAHASHI KOPPUN Co. Shiho. Bone powder and oil extract, etc. Capital G.Y.2,000. Building, 400 cu tsubo.Employ 25.

1-May,'21. China Economic

(15) Factories

(58) Equipment (Cont'd)

RYUDAI KOSHI Co. Taiseichin. Prop S.Homma. Tallow. Capital G.Y.50,000. Building 126 cu tsubo. Employ 6.

KOTO YOKO Koshyu Str. Prop T.Tokushige,Table water, Capital S.Y.35,000. Building 80 cu tsubo. Employ 14.

SETO KANZUME SEIZO Co. Sainan Str. Prop T. Hino. Capital S.Y.100,000. Canning.

SETO SEIKAN Co. Wakazura Str. Prop S.Yamada. Cans. Capital G.Y.500,000.

SANUE SHYOKAI SOKO Co. Soko. Prop K.Fujisawa, Face paint. Capital G.Y.12,000. Building 330 cu tsubo. Employ 15.

TOKUSEI EI IMONO Co. Hayagiri Str. Prop Nin ShiKo. Casitng. Capital S.Y.1,000.Site 72 sq mt. Building 30 cu tsubo. Employ 20.

KASHYO GO. Tenshin Str. Prop Zui Ki Rin. Machinery. Capital S.Y.20,000.Site 42 sq mt Building 42 cu mt. Employ 24.

YUCHYO SHYOEN. Chiifu Str. Prop Sha u Kyo. Soya, miso,pickles,etc. Capital S.Y.10,000. Site 3,600 sq mt. Building 3,540 cu mt. Employ 19.

DOWA SHYO EN.Hiroshima Str. Prop Chin Hei Tai. Soya,miso, pickles,etc.Capital S.Y. 10,000.Site 900 sq tsubo.Building 300 cu tsubo. Employ 9.

1-May,'21.

China
Economic

(15) Factories

(58) Equipment (Cont'd).

KASHIN YO SHYO. Higashifokason. Prop Chyo Den Shin. Bricks. Capital S.Y.3,000. Site 3 se(Chinese way) Building 12 cub tsubo.Employ 57.

DETOKU YOSHYO Chyu Ka Ai S. Prop Den Ka Sai. Bricks. Capital S.Y.2,000.Site 2,5 se (Chinese way) Building 9 cu tsubo. Employ 35.

CHUWA KOSHI Taitochin Tamare 7 Chome Prop Jyoseishyo. Lacquer. Capital S.Y. 2,000. Site 200 sq tsubo. Building 60 cu tsubo.Employ 16.

DOGEN YU Taitochin. Prop Kaku Shi Ko. Dyer. Capital S.Y.1,000. Site 250 sq tsubo. Building 72 cu tsubo.Employ 18.

WA KO YU Tatochin.Prop O Fu Sai. Dyer. Capital S.Y.51,000.Site 100 sq tsubo.Building 30 cu tsubo.Employ 20.

TO SEI SAI Taitochin. Prop Ri Shyo Shun.Dyer. Capital copper 2,500. Site chao 150. Building 50 cu tsubo. Employ 15.

FU HO WA Taitochin. Prop Ri Jun Sei. Dyer. Capital S.Y. 800, Site 120 sq tsubo. Building 40 cu tsubo.Employ 13.

1-May,'21. China Economic

(15) Factories

(58) Equipment (Cont'd)

FUKU WU KO. Taitochin. Prop O Ki En.Capital S.Y. 500.Dyer. Site 150 sq tsubo.Building 30 cu tsubo. Employ 14.

GEN YO KO. Taitochin.Prop Ye Sei Kum. Strong saka. Capital S.Y.4,000.Site 256 sq tsubo. Building 50 cu tsubo.Employ 16.

GITAI SHYO. Taitochin. Prop Seki Gyu Chin. Capital S.Y.4.000. Strong saka.Site 120 sq tsubo.Building 30 cu tsubo.Employ 11.

EIJUM TETSU SHYO.Taitochin.Prop Den Den Toku.Casting. Capital S.Y.4,000.Site 120 sq tsubo. Building 100 cu tsubo. Employ 23.

SO SEI TETSU SHYO. Taitochin.Prop Bo Ho Shum.Casting. Capital S.Y.800, Site 100 sq tsubo. Building 35 cu tsubo. Employ 11.

CHU JI GO. Taitochin.Prop Chye Chyu Tei. Straw rope. Capital S.Y.1,000.Site 200 sq tsubo. Building 30 cu tsubo.Employ 10.

FUKU WA SHYO.Shye Son. Prop Jye Chu Chu,.Bricks. Capital S.Y.1,000.Site 1.5 se. Building 10 cu tsubo. Employ 31.

TOKU SHU SEI. Chyu Ka Ai,Prop Pyu Shye Den,.Brick & tiles, Capital S.Y.1,000.Site 2 se. Building 10 cu tsubo. Employ 59.

1-May,'21, China Economic

(15) Factories

(58) Equipment (Cint'd)

KO SHYO. Higashi Gokasen.Prop Chyo Ze Mei,. Bricks. Capital G.Y.2,000. Site 1.5 se. Building 7 cu tsubo. Employ 52.

KO SEI SHYO.Chyuka Ai. Prop To Chyu Kei,.Bricks. Capital S.Y.1,200. Site 3.2 se. Building 7.5 cu tsubo.Employ 32.

ZEN SEI GO. Taitochin. Prop Ye Ka Zen,.Tile cement. Capital S.Y.12,000.Site 1,500 sq tsubo. Building 30 cu tsubo. Employ 18.

FUKUWA SHYO.Taitochin.Prop So Sin Gyo,.Tile cement. Capital S.Y. 9,000.Site 970 sq tsubo. Building 20 cu tsubo. Employ 17.

FUKU JUN SEI.Nishi Hokasen.Prop Go Sei Zan,. Bean oil extracting. Capital S.Y.2,000. Site 200 sq tsubo. Building 15 cu tsubo. Employ 13.

DOTAI YUBO. Taitochin. Prop O Shu Sai,.Bean oil extracting. Capital S.Y.4,000. Site 140 sq tsubo. Building 22 cu tsubo. Employ 12.

KASHIN YOSHYO.Higashigokasen. Prop Chyo Den Shin,. Bricks. Capital S.Y. 15,000. Site 3.5 se. Building 12 cu tsubo.Employ 57.

KYO JUN KO. Nishi Gokasen. Prop Ka In Do,. Capital S.Y.3,000. Bricks. Site 3 se. Building 10 cu tsubo. Employ 60.

1-May,'21. China Economic.

(15) Factories

(58) Equipment (Cont'd).

ZEN SEI GO. Chyu Ka Ai. Prop Yo Ha Zen,. Bricks. Capital S.Y.5,000.Site 5.5 se Building 18 cu tsubo. Employ 100.

GIWA YOSHYO.Chyu Ka Ai.Prop Yo Sei Kun,. Bricks. Capital S.Y.3,000. Site 3 se.Building 7 cu tsubo. Employ 52.

GI TAI. Taitochin. Prop So Shin Gyo,.Cement & tile.Capital S.Y.9,000.Site 350 sq tsubo. Building 18 cu tsubo. Employ 21.

DOTOKU YOSHYO.Nishi Gokason. Prop Denkasai,.Brick. Capital S.Y.2,000.Site 3.7 se.Building 12 cu tsubo. Employ 35.

BUNKO YOSHYO.Chyuka Ai S. Prop Tobun Ka,.Brick. Capital S.Y.3,000.Site 1,900 sq tsubo. Building 7 cu tsubo.Employ 41.

DOTAI SHYOKE.Taitochin. Prop Oshusai,.Soya saka. Capital S.Y.10,000.Site 140 sq tsubo. Building 47 cu tsubo.Employ 10.

DOSHYO YOSHYO.Shimoshiho.Prop Jyoshycho,. Bricks. Capital S.Y.3,000.Site 4 se. Building 6 cu tsubo.Employ 62.

FUKUSHYO YOSHYO. Shimoshiho.Prop Jyoshycho,. Tile. CapitalmS.Y.2,500.Site 1,750 se. Building 42 cu tsubo.Employ 56.

1-May,'21. China Economic

(15) Factories

(58) Equipment (cont'd).

DOSHYO YOSHYO. Shimoshiho.Prop O Hojin,. Bricks. Capital S.Y.2,000.Site 2,400 se. Building 6 cu tsubo. Employ 56.

GENTAISHO YOSHYO.Shimoshiho.Prop Sonkanho,. Brick & tile.Capital S.Y.25,000. Site 2,900 se. Building 248 cu tsubo. Employ 32.

KEN SEI WA. Shyosonshyo.Prop Sekintei,. Brick. Capital S.Y.2,000. Site 3.6 se. Building 7 cu tsubo.Employ 45.

KOSHYO YOSHYO. Shyosonshyo. Prop Jyochyu Shyu,. Brick. Capital S.Y.1,600. Site 2,000 se. Building 10 cu tsubo. Employ 37.

SHYORI YOSHYO. Kotoshi. Prop Ryushu,.Tile.Capital S.Y.20,000. Site 1,200 se.Building 270 cu tsubo. Employ 120.

GOHATSUSHUNKI Co.Shindenson.Prop Shyoshishun,. Tile. Capital S.Y.25,000. Site 14,00 se. Building 257 cu tsubo. Employ 140.

FUKUWAEI. Koseki Gai. Prop Ryu Shizan,. Tile & Brick. Capital S.Y.50,000.Site 6,000 se. Building 400 cu tsubo. Employ 100.

(15) Factories

(58) Equipment (Cont'd).

KYUSEI KOSHYO. Taisoichin.Prop Kogakusei,.Socks towels etc. Capital G.Y.10,000. Site -- Building 33 cu tsubo.Employ 28.

ZUISHYOWA TEKKO Co.Taisoichin.Prop Kankei Gyo,. Casting. Capital S.Y.4,000.Site --.Building 40 cu tsubo. Employ 35.

EIJUN TESSYO. Taitochin. Prop Denden Toku,. Castings Capital S.Y.4,000. Site --.Building 64 cu tsubo.Employ 23.

YUKOSHYOSOIGA Co.Ashiya Str.Prop Oshaku Shi,.Tile & cement.Capital S.Y.5,000.Site--. Building 118 cu tsubo. Employ 27.

KINBASAI YOJYO.Shio. Prop Fuhei Ki,.Tile & brick. Capital S.Y.10,000.Site --.Building 58 cu tsubo. Employ 101.

ZENSEI GO. Taitochin. Prop Yokazen,.Cement & tile.Capital S.Y.12,000.Site--. Building 30 cu tsubo.Employ 101.

SEIZAN RENGA Co. Taitochin. Prop Soshibgyo,. Brick. Capital S.Y.6,000.Site --. Building--.Employ 83.

SHOKOSHO HISHO.Taisoichin.Prop Ojin Kyo,.Hides etc salting.Capital S.Y.50,000. Building 75 cu tsubo.Employ 11.

1-May,'21. China Economic

(15) Factories

(58) Equipment (cont'd).

DOWA SEI. Taiseichin.Prop Ojin Kyo,.Hide salting. Capital S.Y.50,000.Building 78 cu tsubo. Employ 24.

CHINKISAN. Taieichin.Prop.Ryebonshin,.Hide salting.Capital S.Y.85,000.Building 54 cu tsubo. Employ 13.

KOTAISEIGO. Taieichin.Prop Shypfukuko,.Hides. Capital S.Y.15,000.Building 30 cu tsubo. Employ 12.

FUKUJUN GENKI.Taieichin.Prop Toshikin,.Tallow. Capital S.Y.1,000.Building 18 cu tsubo. Employ 5.

TO JUN SEJ.Taieichin.Prop Kan Kei Tai,.Tallow. Capital S.Y.2,000. Building 38 cu tsubo. Employ 8.

FUKU JUN SEI.Taieichin.Prop K Ei Kichiron,. Tallow.Capital S.Y.1,000.Building 20 cu tsubo. Employ 8.

TOKU GEN SAN.Taieichin. Prop So Rei Ho,.Tallow. Capital S.Y.2,000.Building 40 cu tsubo. Employ 23.

DO SHYU SEI.Taiseichin.Prop So Kichi Zo,. Tallow. Capital S.Y.1,000.Building 24 cu tsubo. Employ 9.

TOKU KO SEI.Taiseichin.Prop Uran Den,.Tallow. Capital S.Y.1,000.Building 14 cu tsubo. Employ 10.

1-May,'21.

China
Economic

(15) Factories

(58) Equipment. (Cont'd)

BUN KO GO MOKKO Co.Taitochin.Prop Shitsu Bunka,. Wooden boxes.Capital S.Y.5,000. Building 60 cu tsubo.Employ 20.

CHYU WA KOSHI.Taitochin.Prop Jyosei Shyo,. Dyer. Capital S.Y.2,000. Building 60 cu tsubo. Employ 16.

GEN YO KO. Taitochin.Prop Yosei Kun,.Strong sake.Capital S.Y.4,500. Building 50 cu tsubo. Employ 14.

GITAI SHYO. Taitochin.Prop Gyu Sekichin,.Sake. Capital S.Y.4,000.Building 10 cu tsubo. Employ 9.

CHYUKA WARANAWA BOSBYOKU Co.Taitochin.Prop Chyo Chyu Tei,.Straw rope.Capital S.Y.1,000.Building 20 cu tsubo. Employ 9.

GENKI HIRYO SEZO Co.Chyoan Str.Prop Kirin Fu,. Soap. Capital S.Y.1,000.Building 80 cu tsubo. Employ 11.

KASHIN KOSHI. Soko.Prop Shyu Gakuki,.Cotton yarn.Capital S.Y.2,000,000. Building 4,670 cu tsubo.Employ 15.

SEIKI SHIN RYUHIN SEISAKU SHO.Rison. Prop Kinko Ichi,.Willow wares.Capital S.Y.9,600.Building 400 cu tsubo. Employ 30.

1-May,'21.

China
Economic

(15) Factories

(58) Equipment (Cont'd)

KAIJI YOKO (Wm.Katz) Yamato Str.Prop Wm.Katz,. Refrigerators.Capital $800.000. Site 1,688 sq tsubo. 3 boilers. Employ 20.

NAIGAI MEN KAISHA. Shiho. Cotton yarn.Capital G.Y.16,000,000.Site 34,870 sq tsubo. Building 6,372 cu tsubo.600 H.P. Employ 1,680.

TAKAHASHI KOPPUN.Shiho.Prop U.Takahashi,.Bone KOJYO power oil.Capital G.Y.200,000.Site --.Building 400 cu tsubo.Employ 25.

SHIHO REGA SEIZO Co.Shiho.Prop M.Takehara,. Bricks. Capital S.Y.2,000.Site 3,200 sq tsubo.Building 48 cu tsubo. Employ 30.

SAIHARA SAISEIEN Co.Kotoshi.Salt refining. " Capital G.Y.50,000.Site 3,600 sq tsubo. Building 120 cu tsubo.Employ 20.

TAITO SEIEN Co. Kaihakuga Kou.Prop Y.Shimizu,. Salt refining.grinding,sake.Capital G.Y.50,000.Site 500 sq tsubo.Building 200 cu tsubo. Employ 23.

SANTO KOGYO Co. Soko.Prop S.Tanaka,.Cement. Capital G.Y.1,000,000. Site 6,676 sq tsubo.Building 1,320 cu tsubo. Employ 180. 350 H.P.

(15) Factories

(58) Equipment (Cont'd)

SANTO YOGYO Co. Seko. Prop M.Ito,.Fireproof earthen pipe.Capital G.Y.500,000. Site 13,519 sq tsubo.Building 420 cu tsubo.12.5 H.P.Employ 60.

YURIN YOKO SAISEIEN KOJYO.Seko.Prop Y.Watanabe, Salt.Capital G.Y.50,000. Site 1,800 sq tsubo. Building 260 cu tsubo. Employ Japs 4 Chinese 20.

TOWA KOSHI COKE SEIZO Co.Seko.Prop S.Miyake,. Coke.Capital G.Y.100,000.Site 8,864 sq tsubo. Building 906 c u tsubo.8 H.P.Employ Japs 6.Chinese 100.

SANTO YOFUN Co.Sashiko. Prop T.Uesugo,.Vegetable gelatine.Capital S.Y.2,000. Site 100,000 sq tsubo.Building 170 cu tsubo. Employ 100.

KOZAN RENGA Co.Kozan.Prop U.Iwaki,.Bricks. Capital G.Y.200,000.Site 20,000 sq tsubo.Building 850 cu tsubo 25 H.P. Employ 100.

SAREISHO RENGA Co.Saweisho.Prop U.Iwaki,.Bricks. Capital S.Y.100,000.Site 10,000 sq tsubo.Building 230 cu tsubo.Employ 70.

KOTOSHIRENGA Co.Kotoshi.Prop Fu Hei Shyo,. Tiles & bricks.Capital S.Y.10,000. Site 150 sq tsubo.Employ 38.

(15) Factories

(58) Equipment (Cont'd).

KASHINBOEKI Co.Seko.Prop Shu Shu Shyo,.Cotton yarn.Capital S.Y.1,200,000.Site 49,430 sq tsubo.Building 3,985 cu tsubo.800 H.P. Employ 1,200.

KIRYU KOJYO. Risen, Prop Kin Ko Ichi,.Willow-ware. Capital S.Y.3,200.Site 600 sq tsubo.Building 425 cu Tsubo. Employ 18.

SEITO ENGYO Co.Nanwan Kagaku Kojyo.Nanwan.Prime soda. Capital G.Y.300,000.Site 4,601 sq tsubo.Building 636 cu tsubo.15 H.P. Employ Japs 10 Chinese 80.

BOSHI TANKO Co.Boshi. Coal mine.Capital G.Y. 3,000,000.Site 1,500,000 sq tsubo. Building 620 cu tsubo.160 H.P. Employ 720.

BOSHI-HIGASHI TANKO.Boish.Prop Nikka Kogyo Co,. Coal mine.Capital G.Y.500,000.Site 21,463 sq tsubo.Building 510 cu tsubo. 120 H.P. Employ 586.

SANTO KOPPUN Co.Chyoten.Prop Y.Tamba,.Bone powder. Capital G.Y.100,000.Site 400 sq tsubo.Building 80 cu tsubo.Employ 17.

NISSHIKEITAN Co.Chyoten.Egg products.Site 720 sq tsubo.Building 180 cu tsubo. Employ 50.

SEITOSHISHYO BRANCH.Chyoten.Prop K.Suzuki,. Cocoon dealer.Capital -- Site ,000 sq tsubo. Building 182 cu tsubo.Employ 40.

(15) Factories

(58) Equipment (Cont'd).

SANTO MENFUN Co.Chyoten.Prop T.Fugisaki,.Flour mill. Capital G.Y.67,000.Site 160 sq tsubo. Building 40 cu tsubo 20 H.P. Employ 10.

KUMEGUMI KAWABA Co. Nantei,Bricks.Capital S.Y. 2.000.Site 200 sq tsubo. Building 40 cu tsubo. Employ 40.

SANTOKOGYO BRANCH.Shimen.Lime.Capital,S.Y.6,000. Site 87,000 sq tsubo.Building 40 cu tsubo. Employ 21.

NIKKAYOGYO BRANCH.Shisen.Bricks. Capital G.Y.20,000. Site 72,000 sq tsubo.Building 80 cu tsubo. Employ 51.

TOYO BOCKI Co.Hakusan.Prop M.Wada,.Dye sand.Capital S.Y.30,000.Site 500 sq tsubo.Building 10 cu tsubo. Employ 23.

TOWA Co.,COKE FACTORY.Hakusan.Prop S.Miyake.Coke. Capital --.Site 1,720 sq tsubo.Building 200 cu tsubo.8 H.P. Employ 63.

NIKKAYOGYO BRANCH.Hakusan,Fireproof bricks pipes etc. Capital G.Y.350,000.Site 6,000 sq tsubo.Building 944 cu tsubo.50 H.P. Employ 146.

CHYUKA TANSHYO. Sainan. Eggs.Capital G.Y.1,000,000. Site 2,190 sq tsubo.Building 917 cu tsubo. 110 H.P. Employ 225.

TAISEI Co,.BRANCH.Sainan.Eggs.Site 2,500 sq tsubo. Building 392 cu tsubo.Employ 180.

(15) Factories

(58) Equipment (Cont'd).

TOA TANPUN BRANCH.Sainan.Prop S.Tsuji,.Eggs.
Capital G.Y.500,000.Site 5,000 sq tsubo.Building 2,500 cu tsubo. 45 H.P. Employ Japs 12 Chinese 65.

MANSHWSEIFUN BRANCH. Sainan.Flour cereals.Capital G.Y.3,000,000.Site 2,500 sqmtsubo. Building 1,020 cu tsubo.400 H.P. Employ Japs 15 Chinese 65.

MANSHYO YOKO. Iken.Prop K.Suzuki,.Dry cocoon. Capital G.Y.10,000.Site --.Building.150 cu tsubo.Employ 21.

SAKAGUCHI YOKO. Shyeraku.Prop T.Ishibashi,.Eggs. Capital G.Y.500,000.Building 50 cu tsubo.Employ 10.

ANDO YOKO. Chyoten.Prop G.Ando,.Hides.Capital G.Y.100,000.Building 300 cu tsubo. Employ 5.

RENGASEIZO KOJYO.Nantei.Prop N.Tsuchiya,.Bricks. Capital S.Y.5,000.Employ 70.

RENGASEIZO KOJYO.Nantei.Prop Kumegumi Co.Bricks. Capital S.Y.2,000.Employ 40.

NIJURIHO EIBEI enKOSHI (Ershili pu)Nijyuriho. Prop B.A.T.New York.U.S.A. Tobacco leaf buyers Site 29,600 sq tsubo. Building 10,000.cu tsubo. Employ Americans 20 Chinese 90.

1-May, '21. China Economic

(15) Factories

(58) Equipment (Cont'd).

JIN WARO. HAKUSAN.Prop Rinogyo.,Thread glass. Capital S.Y.2,000.Site 90 sq tsubo. Building 60 cu tsubo.Employ 12.

JINWA SEI. Hakusan.Prop Seki Gyoku Rin.Thread glass.Capital S.Y.2,500.Site 60 sq tsubo.Building 50 cu tsubo.Employ 18.

GIWA RO. Hakusan.Prop Kakugi San.Thread glass. Capital S.Y.32,000.Site 120 sq tsubo. Building 40 cu tsubo.Employ 22.

CHYO TAI RO.Hakusan.Prop Jye Kei Ei.Thread glass. Capital S.Y.2,000.Site 400 sq tsubo. Building 250 cu tsubo.Employ 22.

TAIWA YO. Hakusan.Prop Ko Ko Tei.Chinaware. Capital S.Y.30,000.Site 200 sq tsubo. Building 40 cu tsubo.Employ 60.

GYOKUSEI KO.Hakusan.Prop Chyo Reku. Chinaware. Capital S.Y.25,000.Site 15 se. Building 200 cu tsubo.Employ 521

KO KO KO. Hakusan.Prop O.Kan San.Chinaware. Capital S.Y.10,000.Site 180 sq tsubo. Building 100 cu tsubo.Employ 34.

HAKUKO SHYO.Hakusan.Prop Okei Jyun.Iron works. Capital S.Y.20,000.Site 40 sq tsubo. Building 29 cu tsubo.Employ 80.

HAKUSAN DENTO Co.Hakusan.Prop Su In Chin.Electric current.Capital S.Y.500,000.Site 570 sq tsubo.Building 173 cu tsubo 150 H.P.Employ Japs 2 Chinese 11.

1-May ,'21.

China
Economic

(15) Factories

(58) Equipment (Cont'd)

YUKODO YOSHIKI SEISHI.Shusen Sub'b.Prop Rikei Shyo. Silk filature.Capital S.Y.300,000. Site 18,700 sq tsubo.Building 293 cu tsubo.100 machines.Employ 300.

DO HO YOSHIKI SEISHI Co.Shusen Ins'd.Prop Shyo Shi Gai.Silk filature.Capital S.Y. 400,000.Building 275 cu tsubo.Site. 9,216 sq tsubo.140 machines.Employ 500.

TITSIGO SHUSHYO.Jyorei.Prop Yoshakurei,.Sake. Capital S.Y.1,000.Building 69 cu tsubo. Employ 13.

SHYOTAIGO SHUSHYO.Jyorei.Prop O.Shaku Ko. Sake. Capital S.Y.2,000.Building 40 cu tsubo. Employ 14.

HOSEI GO YUBO. Jyorei.Prop O Ishin,.Bean oil extract Capital S.Y.1,000.Building 28 cu tsubo. Employ 8.

HOSHIN KOSHYO. Ankyu Ken Denkashyo.Prop Dengakukei. Colored chalk.Capital S.Y.3,000. Building 30 cu tsubo.Employ 5.

TOKUSEI GO. Hakusan.Prop Okakan,.Red dye sand. Capital S.Y.1,600.Building 180 cu tsubo. Employ 6.

KAIKICHIRO. Hakusan.Prop Okitei,.Glass panes. Capital S.Y.1,000.Building 24 cu tsubo. Employ 8.

1-May,'21.

China
Economic

(15) Factories

(58) Equipment (Cont'd)

JUN KO KOKI MENFUNCo.Saina.Prop Chyoshakushaku.
Flour mill.Capital S.Y.15,000.

KOJUNFUKU KIKI MENFUN.Saina.Prop Chyosaishin,.
Flour & oil.Capital S.Y.130,000.

SAINANSHINGYO KASHI Co.Saina.Prop Soryo Hitsu.
Matches. Capital S.Y.250,000.

CHYOHOSHYOKUSEN Co.Saina.Prop Chin Chyushyo,.
Blankets. Capital S.Y.20,000.

TAIHOKU KOSHYO.Saina.Prop Bakeikai,.Weaving.
Capital S.Y.4,000.

KAYO ZOSHIKOSHI. Saina.Prop Kashun Ko.Paper
mill. Capital S.Y.1,000,000.

KINDAN TAIMA MENSHYO.Saina.Prop Yogen Ryu,.
Flour mill.Capital S.Y.10,000.

(Source: Far Eastern Review
March, 1921.)

MILITARY INTELLIGENCE DIVISION
In replying refer to

[redacted]

WAR DEPARTMENT
OFFICE OF THE CHIEF OF STAFF
WASHINGTON

OFFICE CHIEF OF STAFF
MIL. INT. DIV.

SEP 17

2331-9-4/6

WAR DEPARTMENT

September 7, 1926.

Subject: Military Attache Report.

To: [redacted]

1. Enclosed herewith, for your information, is copy of military attache report as follows:

From	Date	No.	Subject
M/A [redacted]	July 20, 1926	[redacted] 5914	Capacity and Product of Main Arsenal, [redacted]
" "	" " "		

2. Acknowledgment of receipt of this report is requested, together with your comments as to its value, by indorsement hereon.

3. It will not be necessary to return the report to this Division.

For the A. C. of S., G-2:

N. E. Margetts,
Lieut. Colonel, General Staff,
Chief, M. I. 5.

MAILED
SEP 8 1926
M. I. D.

1-1 192F 2331-9-4/3

WAR DEPARTMENT

July 29, 1926

[redacted]

2331-9-41 (17)

2331-9-44 (1)

/3925

Subject: Reports /3923 and /3924.

To: A. G. of S., G-2, Washington, D. C.

RECEIVED G/2 W.D. SEP 2 1926

RECEIVED G/2 W.D. SEP 8 1926

1. The source of the above reports is the British Military Attache, Peking.

J. H. Barnard,
Lieut. Colonel, F.A.,
Military Attache

clh

original in 2331-9-44/8

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2331-9-4/

4410 14

WAR DEPARTMENT

G-2 Report

CHINA (Economic)

Subject: Capacity and Product of Main Arsenal, Mukden.

conf. sent to M.B.

RECEIVED G/2 W.D./ SEP 2 1926

1. The following is an account of a personal visit to the main arsenal, Mukden by a competent and reliable foreign observer (see Letter #5915).

2. On July 17th I visited the Mukden Main Arsenal which is situated to the southeast of Mukden old town. It occupies a space of some 3 miles by 1 1/2 miles and is divided by a good motor road. To the north side of the road shortly will be found all the armament works, to the south side the workmen's habitations and recreation grounds, also the gas factory.

3. At present the armament works house everything except the machine gun factory and the trench mortar factory, but the former will be absorbed on the completion of a new building. The powder works are not very far to the east of the armament works and are too near for safety. They are to be moved.

4. The armament works are the most up-to-date and extensive in China. There are no less than 24 power chimneys situated in their walled enclosure. The main power building was erected by the British, but there is no British machinery in the armament factories which are run by American, French, Danish, Japanese and German machines. The lay-out of the works is good and so is the that of the shops. There are too many men on the machines, from a foreigner's point of view, but over-staffing is always prevalent in China.

5. General Yang Yu-ting, the Chief of Staff, received me at the works and told me I could see everything I wished to except the machine gun factory which was in the city, and the gas factory, which was not in use. I saw the rifle factory, the S.A.A. factory, the gun factory and its various subdivisions including the shell factory.

6. The present capacity of the arsenal for rifles is 90 per day, but only 20 a day are being turned out. On completion of a two storied workshop which is nearly erected, the capacity will be 250 rifles a day at full pressure, but a normal daily output of 150 will be maintained. The rifle is a modified German mauser with a short bayonet. The whole of the rifle is manufactured in the arsenal.

7. The S.A.A. plant at full pressure is capable of turning out 300,000 rounds a day, but at present only a quarter of that figure is being produced. The S.A.A. is the normal German mauser ammunition.

8. The guns manufactured in the arsenal are as follows:

77 Austrian Post War Field Gun, which also is mounted as an A.A. gun (the foreign staff informed me the gun was really 78.5.)
150 Howitzer, German pattern, modified by the Japanese and again modified at Mukden.
105 gun, German modified by the Japanese.
37 Infantry Gun of Japanese pattern.

9. The 77 Austrian is a very light gun. Its recoil mechanism is described as "FREIN HYDRAVLIQUE. RECUPERATION A RESSORTS". The gun barrel slides on a cradle with recoil mechanism underneath the cradle. It is capable of a very quick rate of fire and is alleged to be very accurate. It is presumed the order was obtained through the French firm, Boixo Freres. The gun barrel is manufactured in the arsenal from a pierced steel block, but the cradle, recoil mechanism and sights are all imported from Czechoslovakia. The present rate of completion is 8 guns a month.

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Subject: Capacity and Product of Main Arsenal, Mukden.

10. The 150 Howitzer is more completely manufactured in the arsenal. Its recoil mechanism is on the same principle as that of the 77, the mechanism of which probably is also imported. The rate of completion is 4-6 a month.

11. The 105 Gun is turned out at the rate of 2 a month. It is undecided if the manufacture of this gun will be continued, as its range is only 2000 metres greater than the 77, while its shell does not appear to be heavy enough.

12. The 37 Infantry Gun is a species of anti-tank gun. It fires two kinds of shell (weight of shell about 600 grammes), one an armor piercing and the other for use against infantry. The gun has a small shield and is mounted on a telescopic tripod. Thirty a month can be turned out. Both the 105 and the 37 have the same recoil mechanism as the 77.

13. The anti-aircraft gun is the 77 mentioned above. It is mounted on a small platform with four legs screwed flat to the ground. By the removal of these legs the gun could be screwed to a truck floor. One is mounted for the protection of the arsenal. There are only two sich mountings at present manufactured.

14. Shells for the above guns are all turned out in the arsenal. I could not discover the maximum rate of shell production.

15. There was no trace of a 75 mountain gun being manufactured, though plans are ready in the arsenal for its manufacture if necessary. With the installation of new machinery already arrived, it is expected to turn out 1 gun per day of calibre 77 or over.

16. Machine guns are of the Japanese Maxim pattern. It is expected that six a day will be turned out when the factory is installed in the new arsenal.

17. The total number of men employed in the arsenal is 17,000. With the advent of the machine gun factory and with the setting up of the available machinery, 20,000 will be the number.

J. H. Barnard,
Lieut. Colonel, F.A.,
Military Attache.

Distribution:
4 MID
1 CGUSAFC
1 Japan
1 File

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2331-9-43
4410

G-2 Report

CHINA (Economic)

Subject: Canton Arsenal (see p. 85, Digest)
Swabue Arsenal (" " 90, ")

MAY 6 - 1926

1. The following is from a report of Lieut. Commander G. W. Dugger, U.S.N., Commanding U.S.S. "Pampanga", of an inspection made by him February 25, 1926.

"At Washington's Birthday celebration I met Colonel Wai, the Engineer of the (Canton) Arsenal. He is a young chap about 28-29; speaks English extraordinarily well, is a graduate of Boston Tech, and uses U.S. slang occasionally. He invited me to inspect the arsenal on the following Thursday. We met on board the PAMPANGA, off Shameen, at 8:30 a.m., and left in Wai's boat for the arsenal, which is in the general direction of White Cloud Mountain, and some eight miles away by boat, which must follow the circuitous streams of the delta country.

"The first stop was at the old black powder factory, which has not been in operation for a very long time although the machinery is still there and it could be started again; not, however, without considerable rehabilitation. This site is being converted into an additional cartridge factory. The machinery was obtained from Chan Kwing Mung's (Chen Chiung-ming. This is the Swabue arsenal reported in #2777, page 90, China Digest.) Swatow plant, which was recently captured by the Cantonese. It is being moved en mass to this site, including the metal frame structures forming the housings. The machines are all of German manufacture. He stated that the capacity of this new plant would be about 35,000 cartridges a day, which would double the present output of cartridges from the arsenal.

"We next went to the main arsenal about three miles further on. The grounds are very imposing - one approaches by a long brick walk through gates and arches guarded by well fed, well uniformed and well disciplined soldiers who do an excellent "present arms'. We went to the main office where we met the Director of the arsenal, and the head of the Repair Department. The Director is General Tung. I judge his age to be about twenty-five. He was four years in Germany. He speaks no English. He is clean cut, dignified, intelligent, very courteous and pleasant. His brother, General Tung, was assassinated in Canton last year. His assassin escaped and has never been apprehended. He is always accompanied by a body guard of two men, who carry German Mauser rifle-pistols in their hands ready for action. When he enters or leaves any division of the arsenal a guard of about ten men is paraded in his honor.

"The head of the Repair Department is Mr. Tom Williams, who was with the Ford Motor Company for eight years. He is a fat, pleasant Chinaman, who impresses one as being from Detroit rather than from Canton. He is anxious to return to the United States, but is having difficulties with his papers, which are now in the American Consulate, Shameen.

"The offices and quarters were spacious, clean and orderly. The drafting room apparently is of very little value, only one draftsman was at work. He was making up instructional drawings of machine guns for field officers who, Colonel Wai said, had asked repeatedly for instructions on operation of the Thompson Machine Gun, but nowhere did I see working drawings. The drawings were more like pictures than drawings. Evidently they do not use drawings to the same extent as does the foreign machinist.

From M/A, China Report #5819 March 30, 1926

CHINA (Economic)

Subject: Canton Arsenal
Swabue "

"The rifle factory is an enormous machine shop, employing about 600 laborers, who belong to labor unions the same as any other laborer and periodically demand something. The rifles start from stock metal of foreign origin shipped to the arsenal, and from this and native wood the factory completes the rifle and tests it so that it is in all respects ready for the soldier. The machinery equipment is excellent, and the mechanics seem very proficient. Many of the machines are duplicated in order to equalize the slow stages of manufacture with the faster stages; there are for example five boring machines for rifling. The standard product of manufacture is the German Mauser rifle or the Carbine, both about the same as our 30:30. The daily output is from 30 to 45 of either one or the other. This can be speeded up to 60 per day by working night shifts. The cost of manufacture is about $60.00 each, local currency, which is about G$30.00.

"In addition to rifles they make Maxim machine guns and Thompson machine guns, both U.S. inventions, and just a few revolvers. But any of these must be almost entirely hand made, and the production therefore is very slow. In the case of machine guns it is 5 to 7 per month. Wai said that 43 Maxims had been made and about 200 Thompson guns, and that these are now in service. The testing room where the metal is tested is well equipped. It contains, in addition to the metallurgical testing equipment, a chronograph for taking velocities of the Bonlonge type, but of German manufacture. Practically all machinery is of German manufacture although I saw one or two U. S. machines.

"After this I was invited to shoot on the testing range, which consists of crude targets suspended in front of an enbankment at an approximate distance of 50 to 75 yards. First I fired a carbine, which in principal parts, is little different from our Winchester or the Mauser rifle. They are all of the sliding bolt type. The cartridges are loaded into the magazine from a clip, the same as in our rifles. The sights are more difficult to use than ours. They are not fitted with a windage scale, and very little attention is paid to the peep sight. They, apparently, set range on sights. The report is not as loud nor is the recoil as great as in our rifle, but the performance is very good. The dispersion is not excessive. The muzzle velocity is 700 meters per second. Next they brought on an Austrian machine gun using a cartridge of about calibre .30, and very similar in construction to the Maxim. It is belt fed - water cooled and has massive parts. It is extremely heavy and clumsy. It jammed frequently. The Maxim gun was some improvement on the Austrian gun in performance, but is almost identical in construction with the American design. It too suffered many jams. Neither of them would pass a service test. They were reluctant about firing the Thompson gun, I don't know why, possibly because it uses colt .45 ammunition, which they may find very difficult to get. The last demonstration was with the German Mauser pistol made in Germany. It is the personal property of Colonel Wai. In spite of making fairly good weapons the officers always carry the German made Mausers.

"The cartridge factory is complete, but offers no new tricks in manufacture of cartridges. They begin from sheet metal from which discs are first stamped after which they pass through the several drawing stages until the cartridge case is completed, after which they pass to the loading plant. The projectile jackets are received at the

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Swabue "

factory as small cup shapes from which they are drawn to shape and filled with lead. Fulminate of mercury caps are used and I was informed that they are loaded at the cartridge factory, but was not shown the fulminate plant. However, caps are very cheap, easily obtained and are easily shipped. I obtained a smaple of each stage of manufacture of the cartridge.

"In the machine shop there were four or five field or mountain guns of foreign manufacture of calibre .3' or less. I was informed that they make ammunition for these too and saw some brass cases which had been machine turned, but no projectiles were produced although I asked to see them. In addition they asked me very particularly and in detail about powder for these guns, which indicates to me that they are trying to produce ammunition for these field pieces. I think there is no doubt that the often reported field or mountain guns are very rare and unreliable although it is certain that they have a few of foreign manufacture, and may have obtained some ammunition with them. At present they are making no ammunition for these guns.

"We then started for the powder factory several miles away. We landed at a small village and walked about a mile, sending the boat around the dog's leg bend of the stream. The Director accompanied us. At the powder factory we were met as usual by the head men - the guard was paraded for the general. We had tea then proceeded to the powder factory. The head man, Mr. Lum, was, I was informed by Mr. Wai, three years with Du Pont in the United States, but unfortunately he was away at Swatow in charge of transporting Chan Kwing Ming's arsenal machinery to Canton. The chemist, who speaks no English, got his knowledge of powder in Japan.

"Their powder is a straight simple base nitro cellulose powder of about 12.3% nitration as compared with our 12.6. Their method of manufacture differs very slightly from our own. Their washings, and therefore, the reduction of impurities is inferior to our own, which may result in a less stable product, but in spite of this, their fundamental methods are correct. The colloid is pressed through dies coming out in shreds, which are bundled and fed through a cutting mill, the result being a very small grain, similar to our small arms powder. Finally these are put in a shaker with graphite and given a graphite coat, which is not done with larger gun powders. Their plant has no dies for larger gun powders, but dies are all that would be required to convert this plant into a large gun powder plant, and by a slight increase in nitration they could produce gun cotton for mines or torpedoes. Whether they have ever made any gun cotton or considered making any I do not know. I asked about the mines recently used at Boca Tigris and was informed - vaguely - that they were loaded at Whampoa. No one knew anything about them. I expressed surprise to learn that there is a loading plant at Whampoa. Wai said that there was, but none too convincingly. I obtained a sample of each stage of manufacture of the powder.

"The laboratory of the powder factory was very incomplete. They informed me that the soldiers had destroyed the equipment during the various campaigns. There is apparently no testing of powder undertaken - they depend on the plant to produce powder of sufficient stability to hold up until used.

CHINA (Economic)

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Swabue "

"During the inspection I sighted fifteen or twenty 'dum dum' cartridges. I was informed that some of these had been made previously but none were being made now.

"In addition to shops and plants and necessary storehouses and quarters, the arsenal has an officers' club - very comfortable and well appointed, and a school for the workmen where they are taught at night.

"I was informed that in addition to the present cartridge factory and the one under construction, which they estimate will together have a daily output capacity of about 70,000 and that there is a small cartridge factory nearer Canton.

"I was extremely surprised at the excellent grounds and buildings, the modern equipment, organization and administration, the excellent discipline among the soldiers, and the hospitality of the officers.

"The arsenal employs altogether 1800 men. Their monthly running expenses are about $200,000, Canton currency. While the arsenal formerly was controlled by the most influential General in this vicinity or the one contributing the most money to the arsenal, it is now controlled by the Military Council."

Comment by M/A: According to this report the Swabue arsenal may be considered as no longer in existence and should be stricken out of arsenal reports.

Distribution:
4 MID
1 CGUSAFC
1 File

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1923 DEC 31

WAR DEPARTMENT 34A

SUBJECT STOKES MORTAR AND AMMUNITION FACTORY - MUKDEN.

2331-9-44

From China.

No. 5208. Date Nov. 20, 1923., 19

Replying to No. Date: ~~RECEIVED 8/2 W.D.~~ DEC 29 1923, 19

4410- Arsenals.

Binding Margin.

CHINA.

4410.

Arsenals.

1929 DEC 31
WAR DEPARTMENT

STOKES MORTAR AND AMMUNITION FACTORY - MUKDEN.

The following information has been obtained from a reliable source:

"1. Its situation and means of reaching it.

This factory is situated at what is known as the Great North Camp outside the city of Mukden, and, as its name implies, to the north of that City, not very far from the main line of the South Manchurian Railway. To reach this factory by motor car from Mukden City one passes along a good military road built for the express purpose of connecting the North Camp with the city. This road averages about 25 feet in breadth. On reaching the main gate of the camp one proceeds across the drilling ground which is bisected by this road leading from the main gate of the camp to the buildings forming the barracks. On reaching the barrack wall one turns to the right and then to the left, passing along the side wall of the barrack enclosure. Turning again to the left along the rear wall of the barracks for a short distance and then to the right one arrives at the front gate of the factory. The accompanying plan A will show clearly the position of the factory.

2. Origin of the Factory.

Captain F. Sutton, who served in the Great War, during which he lost his right fore-arm, became associated with Mr. Stokes, inventor of the Stokes Mortar, for which Sutton invented a device for attachment to the shell which made the great success of this mortar possible. In return for Sutton's invention, Stokes gave Sutton the rights to manufacture the mortar in America and the Far East. Sutton interviewed Sir Andrew Nobel of Armstrong Whitworth & Co. at Newcastle on Tyne and it was arranged that he should go to America to manufacture this mortar. A factory was to be built there but owing to a disagreement with the American Government regarding the price to be paid, this did not materialise. Later Sutton came to China and after interviewing Wu Pei-fu, he went to Chunking and from there proceeded inland to the Arsenal where he commenced the manufacture of the mortar. The work was progressing through the preliminary stages when he was chased out of Szechwan by the opposing forces, leaving behind the first mortar which was only partly constructed. This mortar was not sufficiently far advanced for anyone to complete it and lacked all the essential devices.

In the hurry of leaving a Chinese assistant stole the drawings. Sutton however had left in Hankow the original sample mortar which he had brought with him from America. He then proceeded to Mukden, taking this sample with him. There he interviewed Chang Tso-lin's military officials, offering to show them how to manufacture the mortar and ammunition in Mukden for the use of their army for the fixed sum of $100,000. The Chinese on their side first demanded that before entering into any agreement Sutton should make one mortar and sufficient ammunition to enable a demonstration of its powers to be made. He accepted this and was directed to manufacture the sample in what is known as the Old Arsenal, situated at a distance of four miles outside the East Gate of Mukden. During the time he was manufacturing this sample mortar and ammunition he met with opposition from the official in charge of the Old Arsenal; difficulties were put in his way, but the sample mortar was completed. When he reached the stage of manufacturing the projectile one method of opposing his work consisted of the Chinese declaration that the four metal fins at the rear end of the projectile could not be attached by placing them in the mould in the foundry and then running the molten cast iron which forms the body of the projectile into the mould. Many projectiles were spoilt and it seemed at one time as though he would not be able to make a demonstration. Although no projectile was completed in the proper way he managed to fix these fins sufficiently firmly to make the demonstration, this after great delay. When the time for the demonstration arrived, it was decided to hold it at a place where the mortar would be fired in the direction of a sharp

STOKES MORTAR AND AMMUNITION FACTORY - MUKDEN.

rise in the ground. During the trials he was surprised to hear explosions taking place the other side of this hill and afterwards on investigation, the reason for the opposition by the arsenal official to the manufacture of the mortar was made clear. On the other side of the hill was the Chinese who had stolen his drawings and who was giving a demonstration with a mortar which he made by the help of the drawings and which he hoped to sell with the aid of the official at the Old Arsenal to the same authorities. The drawings however which he had stolen did not give full information regarding the fuse in the projectile and his demonstration was a failure.

The authorities were satisfied with Sutton's effort and agreed to pay him the $100,000 he had asked, provided he superintended the equipment of the necessary plant for manufacturing the mortar and projectiles and remained there until such time as six hundred mortars and 60,000 projectiles were completed. Sutton however told them that his terms were now not $100,000 but $125,000. He told them that the reason for increasing the sum by $25,000 was the fact that they, whilst pretending to be dealing with him alone, had entered into negotiations also with his former assistant knowing he held the drawings belonging to Sutton. They realized that they had been caught napping and with a good grace agreed to pay the other $25,000.

3. I have omitted to mention other activities of Captain Sutton. During his time in the Far East Captain Sutton has also been in Manchuria. During this period he interested Governor Wu of Hei Lung and some other Chinese officials in a gold dredging venture. On their account he purchased a gold dredger, this was taken up the Amur River and from Blagovetchensk the expedition went North. Owing to ignorance on the part of the Chinese, during the temporary absence of Sutton and his assistant a Greek subject named Andrew, the dredger was sunk on a bank in the river.

4. Personal.

Captain Sutton was placed in active charge of equipping the factory and manufacturing the mortar and projectiles. Colonel Chu of the Chinese Army (twenty five years of age) was placed as nominal chief. I met him at the factory and travelled back to Mukden with him. Later Sutton sent for Andrew (the Greek) to help him in the management of the factory. These are the only officials in the factory.

5. Building and equipment of the factory.

Four of the buildings used for the factory are of brick construction and were formerly used as barracks in addition to those inside the barrack inclosure. They are long buildings about sixteen feet wide but not being strong enough to support the overhead gear such as shafting etc. required for driving the machine tools Sutton obtained from a man named Moysey, who is the representative of the S. K. F. Ball-bearing Company in Shanghai (and from whom he purchased the shafting and its ball bearing supports) a design of wooden bracing and supports which strengthened these buildings sufficiently to carry the load.

Passing in at the gate of the factory the first building immediately on the right is an office used by Captain Sutton and Colonel Chu. Crossing the yard one comes to the small Power House in which is installed a one hundred horse power oil engine which provides all the power used in the factory. This oil engine was purchased in Shanghai. Owing to neglect on the part of the Chinese attendant the jacket round one cylinder barrel was cracked, but this has been made good by means of a brass patch plate studded to the cylinder jacket. Adjoining this small Power House is the Main Machine Shop, This consists of one long shop which is constructed on brick and strengthened as mentioned in a previous paragraph; half this machine shop is built on one side of the Power house and half on the other.

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Page 55.

This machine shop is given up to the manufacture of projectiles for the stokes mortar. The equipment consisting of 68 lathes of German manufacture purchased in Shanghai having centres of about 6 to 8 inches and beds about six feet long. They are of the surfacing, sliding and screwing cutting type, the beds being fitted with gaps. They are arranged in three parallel rows, one on either side of the shop and one down the centre. These lathes deal with all the turning work on the projectiles including the centring of the body, facing the end and screwing same, recessing and drilling the tail end, etc. also the preparation of the caps and the manufacture of the fuse cases, the latter being of brass.

In this shop also are installed shears for cutting the fins from sheet steel and drilling machines together with shaping machines for shaping the sheet steel fins these being placed in quantities of fifty in the vice on the table of the machine and shaped crosswise at one setting. These steel fins are therefore machined completely before being sent to the Foundry to be placed in the same moulds ready for fusing to the cast iron projectile bodies when the metal is run.

The lathes above mentioned turn out at the present time an average of four hundred and seventy five projectiles a day. The cost of these projectiles at the present time is as follows:- materials,68 cents; labor, 82 cents; total $1.50 each. The number of lathes installed is capable of turning out at least 500 projectiles a day but owing to various small delays which will be shortly overcome, the present number being turned out, as mentioned above is 475.

Adjoining this Machine Shop is a progress store surrounded by a netted wire partition, in which are arranged sets of shelving and at the end of the shop is a viewing department, also surrounded by a wire partition, in which all inspection guages are kept. Over each lathe is a fixed board on which are ruled columns indicating the days of the week and the number of the machine. Different lathes perform different operations on the projectile for instance, the man at the first lathe has the equipment of the machine set up for centring the rough cast iron body of the projectile as received from the foundry, facing the end of it and screwing it. The inspector from the viewing room brings his guages which are of the limit type and tests the work on that lathe and stamps it if approved. The number accepted is written on the board over the machine under the day indicated. The number of those rejected is also entered in a parallel column under the same date. Those accepted are immediately transferred to the progress stores and placed in bins set aside for them whence they are withdrawn for the man on the second lathe who does the next operation. When viewing takes place again those passed are sent to the progress stores ready for issue to the man on the third lathe for executing the next operation and so on. With regard to those not accepted they are immediately returned to the foundry store where they are weighed and issued to the foundry after being broken up, for remelting for the production of new projectile bodies.

I noticed during my visit the cleanliness and order of the workshop, the systematic way in which the work was carried out and and the fact that no idle labor could be seen. With the exception of one or two boys employed sweeping the floors there was no other labor in the whole workshop additional to those men employed working the lathes and machines and this labor was strictly limited to one man to one lathe. The men working in this shop were all engaged on piece work. The object of the boards above the machinese was to enable each man to remember the number of projectiles for which he was to receive payment at end of the month, the number of projectiles to be paid for in reference to each operation being ascertained by the authorities from the journal in the progress stores which shows the number received daily from each machine between each individual operation.

Adjoining this workshop was another in which twenty lathes were engaged on the machinery of the mortar barrels and the square threaded steel

STOKES MORTAR AND AMMUNITION FACTORY - MUKDEN.

screws with their brass nuts employed for swivelling the mortar and elevating and depressing it. The mortar barrels are received from Shanghai in the form of tubes, these are machined inside and outside on the lathes in this shop, the rear ends of the barrels being screwed to receive the blank caps fitted with their percussion pins, these being turned out of solid bar in the same shop. The output from this shop is three mortars per day and the cost of a mortar complete, labor and material is $225.00.

The mortar is a beautifully finished article and I was afforded the opportunity of guaging various operations and can testify to the accuracy of the work.

These two shops are connected by a covered way to the next building which consists of a blacksmith's shop in which smiths are engaged in forging the light iron frames of the mortar carriages or stands and making the oblong pad plates for receiving the recoil of the mortar when fired, together with the cup feet for the front legs of the carriage. Here also the supervision as regards checking the individual parts of the carriages was as well organized as in the other shop. At the left end of this workshop is situated the Foundry.

When this Foundry was built, Captain Sutton went to Shanghai and engaged a foreman moulder at a wage of $110.00 a month. This man had his own foundry in Shanghai and from him Sutton purchased a cupola of four tons capacity together with the necessary fan for producing the blast which is of the belt driven type operated from the shafting in the machine shop already described.

This foreman moulder produces high class castings in the form of projectile bodies. The mixture of iron used in the manufacture of these bodies is as follows:-

65% Hanyang No. 1 pig iron, manufactured at the Hanyang Iron Works, Hankow.

25% Penn Shih Hu pig iron from the Pen Shih Huh Iron Works, and 10% of scrap cast iron consisting of partly machined projectile bodies discarded by the viewers in the machine shop as already described and the gates and risers cut from the newly cast projectile bodies in the foundry when the moulding boxes are knocked apart. The above-mentioned cupola is prepared every morning and the pig iron melted during the middle of the day. Whilst this is in progress the sand moulds in the foundry are being prepared, the cupola is tapped and the metal run at three o'clock each afternoon. This operation provides about five hundred projectiles, in other words a days supply for the machine shop.

The method employed in the foundry for moulding these bodies is as follows: 125 pairs of iron moulding boxes are laid on the foundry floor in rows, each moulder rams four pairs of boxes with sand in the usual way. Each moulder is provided with one wooden pattern of the projectile body, each patern is provided with four grooves in the tail end into which he fits four of the machined sheet steel fins received from the machine shop. Each of these fins has a hole drilled in its upper end which corresponds with two holes situated on the wooden pattern one on either side of each groove. Through this hole the moulder places a small iron pin the object being to hold the pin firmly in the groove on the pattern during the process of moulding. The pattern is in the form of four projectiles bodies, joined at the opposite ends to those to which the fins are attached, by a cross formed of wood, this cross forming the impressions in the sand for the moulten metal runner between the four projectile bodies, as four bodies are castin one pair of moulding boxes. The wooden pattern complete therefore consists of four wooden bodies joined by a wooden cross at a distance of about two clear inches apart and carrying in all sixteen sheet metal fins. At the centre of the wooden cross is the wooden model of the runner and on one side of the wooden model for the riser. After ramming the sand around the pattern, the pattern is rapped and withdrawn from the sand mould in the usual way. Any breakages in the sand after the

STOKES MORTAR AND AMMUNITION FACTORY - MUKDEN.

pattern is withdrawn are then repaired. The pins are then withdrawn and the sheet steel fins removed from the pattern. These fins are then placed in the sand mould into the impressions they have formed in the sand during the process of moulding. It will be understood that this leaves their upper portions, which during the process of moulding were enclosed in the grooves on the wood pattern, exposed in the cavity in the mould fromed by the body of the pattern.

In the other half of the box four sand cores are fitted one into each recess formed by the projection on the upper end of the wood pattern. These cores form the hollow interior of the projectile body. The boxes are then closed, one on the top of the other in pairs and two small square boxes lined with sand, one to form the gate for the runner and the other to form the top for the riser, placed on the upper box over their respective holes.

At three O'clock when the cupola is tapped, metal is run into the ladles in the ususal way, carried along the shop by hand and poured into the gates of the moulding boxes. Before knocking off work, and as soon as the metal has set, the boxes are knocked apart and the sand cleared from the castings which are left to cool overnight on the foundry floor.

The men employed in this shop are all good workmen and the work they produced of excellent quality.

Retracing our steps through the foundry and smith's shop, we next entered a shop in which the banding on the projectiles was being done and the wiring around the fins being placed in position to hold the boosting charge of powder, which as you know, is inserted in tiny cotton bags placed outside the projectile between the fins at the rear end. At the other end of this building the various component parts of the mortar carriages were being assembled and the barrels and operating gear fitted to them thus completing the mortars.

From here we passed by a covered way to the paint and varnish room. Here all the mortar carriages received two coats of grey paint over all parts that were not machined, that is all parts with the exception of the swivelling screw with its nut and handle, and the elevating and depressing screw with its nut and handle. In this department all projectiles received a coat of varnish. After the mortar carriages have been painted they are removed to a store building which we next visited. I counted the complete mortars stored in this building. They numbered exactly one hundred and were arranged symmetrically in rows five. The building was only big enough to hold one hundred and fifty but along side it a new building capable of holding over 800 was practically completed.

The varnished projectile bodies after leaving the paint and varnish shop are taken to the filling room store. The filling room store which again was a separate building contained a bench which was well lighted by windows, at which four men were sitting engaged on filling and placing the steel ball in position between the cartridge percussion cap and t the retaining iron band on the head of the projectile which is used for firing the exploding charge. In the filling room I noticed that the two cartridge cases employed, one for igniting the propelling charge and the other for igniting the exploding charge which were of the ordinary supporting variety, were manufactured by the English firm of Eley, these empty cartridge cases being imported through Shanghai, after being charged, the projectiles are carried into a store in a separate building ready for issue to the army when required.

I notices also wooden cases manufactured on the premises, for carrying this ammunition in the field, oblong cases with divisions to hold six rounds each. The cases were provided with rope handles at either end long enough to allow a carrying pole to slip through.

STOKES MORTAR AND AMMUNITION FACTORY - MUKDEN.

The bore of the mortar barrels being manufactured is approximately three inches. I say approximately because they may be bored to a metric measurement. I measured one.

The projectile weighs nine and one-third pounds.

A plan of the factory is shown in sketch "B" and a rough sketch of the projectile in sketch "C".

I would like to mention that in a small room which we passed I saw a mortar of six inch bore nearly completed. The barrel was finished and they were turning a plug for the rear end of the barrel. I do not know whether a six inch Stokes Mortar has ever been made before. It looked a very formidable weapon. It was an experiment.

In the filling room two kind of powder were being placed in the cartridge cases, one a black powder and one a white. One was ordinary black powder, the charges were measured with the ordinary small spoon. In the store where the projectiles were stored ready for issue to the army I made a count. They were stored on shelves containing five hundred each and there were eighteen shelves full, that would give 9000 rounds ready for use.

The lay out of the factory, the cleanliness, the systematic way of conducting the work impressed me very much. During my nineteen years in China, I have visited all workshops of any importance including those connected with the various railways, shipyards and general engineering works, but nowhere have I seen a plant so excellently kept and managed, though of course a small one compared with many in this country. "

(Sketches mentioned above unobtainable).

(Office Military Attaché, Peking, China. No. 5208. Nov. 20, 1923.).

G-2 Report

4-1 Metallic Products

CHINA (Economic)

2331-9-4

Subject: The Hanyang Iron and Steel Works.

WAR DEPARTMENT
RECEIVED G/2 W.D. AUG 24 1926
AUG 25

1. These works are owned by the Hanyehping Iron and Coal Co., and are under financial control by the Japanese. They are in Hupeh Province and are situated at the junction of the Han and Yangtze Rivers, and cover an area of 107 acres of land, bounded on the South by Tortoise Hill, on the West by the Hanyang Arsenal, on the North by the Han River, and on the East by the Yangtze, being well provided with river frontage, although the works do not possess the whole of it. This long river frontage gives the works every facility in transportation, as steamships of deep draft can come up to the wharf along the whole frontage of the Yangtze. In summer, when the level of the Yangtze water is highest, even big ocean going steamers can berth alongside the wharf.

Recently, with the successive extensions to the plant, more space has been found necessary, so more land has been acquired on the other side of the hill, which it is proposed to connect to the original site by a tunnel, a project which has so far not been realised, as it has been delayed by the opposition of the natives, and the lack of Government support.

The general lay out of the works is such that the various processes of manufacture are in as direct and close propinquity as possible from the beginning until the finished product is turned out. The plant is laid out in the following order, running from East to West.

1. The blast furnaces, where the iron is extracted from the ore.
2. The melting shop, or open hearth plant, where the iron from the blast furnaces is manufactured into steel.
3. The rolling mill, where steel ingots from the melting shop are rolled into sections of various shapes.
4. The finishing shop, where the products are cut and finished for the market. From the finishing shop, the completed products are transported back to the wharf by a railway line running parallel to the plants mentioned above.

The first impression upon a visitor who enters the works is the modern, and logical arrangement of the raw materials, which move steadily westwards, passing through the different stages as they go and finally coming out at the extreme west end of the works in finished form. From here they are brought back to the Yangtze wharf where raw materials and finished products meet. The Tayeh Iron ore, and limestone, and the Pinghsiang coal and coke are brought to separate wharfs, the former being unloaded on the Yangtze frontage, and the latter on the Han side.

The wharfs are under the same arrangement as the shipping office, which controls a fleet of lighters and tug boats. Loading of iron and steel products and the unloading of ore and limestone take place night and day along the whole water front. The former is done by labourers while the latter is effected by a haulage plant. This plant consists of a reversible hauling steam engine with two boilers and accessories. The ore, or limestone is carried up from the holds of lighters to the ore cars, which are let down on the incline, and when filled are hoisted by the steam engine. Coal and coke on the Han river is carried ashore in small baskets by the labourers, and dumped in places convenient either for immediate use or storage. An ore unloading plant of 100 tons per hour capacity has been installed and put into operation.

From M/A, China Report No. 5897 July 23, 1926.

The ore and limestone, after being loaded in the cars at the wharfs, is hauled by locomotives up two inclined tracks between the backs of two old, and two new blast furnaces of 100 tons, and 250 tons capacity respectively, and there dumped into the respective bins. These materials are then shovelled into hand barrows and wheeled to the separate furnace hoists by one set of labourers, the bottom fillers while another set, the top fillers, take the barrows from the hoisting cages and dump their contents into the furnaces. The coke is transported to the furnace by labourers.

The two original furnaces, No. 1 and 2, were supplied from England and are now provided with four Cowper stoves and one gas cleaner each. The original specified capacity for these furnaces was 50 tons only, but on account of the richness of the ore and the increased capacity of Cowper stoves and various subsequent improvements, these two furnaces are now actually producing 100 tons each daily. The air blast is supplied by one horizontal compound Cockerill blower with three vertical two-cylinder blowers from the Teeside Engineering Company as spares. Steam is generated by two batteries of II Lancashire, and three B. & W. boilers respectively both of which are fired mainly by gas from the furnaces.

Furnaces 3 and 4 are of German make. Both have a capacity of 250 tons per day, and have their own separate inclined tracks for the supply of ore and coke. They also have separate blowers although the blast mains for old and new furnaces are interconnected as a precaution against break down. There are three turboblowers, the first two from C.A. Parsons and Company of Newcastle, and the third from Richarson Westgarth and Co., of West Hartlepool. The capacity of each blower is about 1,000 cubic metres of free air per minute at apressure of 9 lbs per square inch. Each furnace is supplied with air blast from one turboblower through a separate blast main, while the third blower acts as a spare. The steam for these blowers is supplied from a battery of Lanscashire boilers with two independent super-heaters and a battery of B. & W. Boilers with integral super-heaters. Both of them are fixed with gas from the two furnaces.

Each battery of boilers is provided with one Green Economiser in line with a separate gas flue, both of which are then joined together to a common steel chimney.

The furnaces are usually tapped three hours and the iron is cast in sand or pig iron beds according to requirements. A portion of iron is supplied in ladle cars direct to the open hearth plant. The table gives the simple analysis of the pig iron.

	Si.	Mn.	P.	S.	C.
			Pig Iron.		
1.	2.5-3	0.5-0-1	0.1-0.2	0.01-0.03	3.2-3.5
2.	2.0-2.5	0.5-0.1	0.1-0.2	0.02-0.04	3.0-3.2
3.	1.5-2	0.5-0.9	0.1-0.2	0.02-0.05	2.5-3.0
			Basic Pig Iron.		
1.	0.8-1.5	1.5-2.9	0.1-0.2	0.01-0.02	3.2-4
2.	1.5-2.5	1.0-1.5	0.1-0.2	0.04-0.05	3.5-4

Slag is so far used for filling purposes about the works and a small part utilised in the slag brick-making plant, which turns out very excellent building bricks. The cooling water for the tuyeres, hot stoves, etc., is pumped up from the lake to three large tanks on the top of the furnaces. The pumping station is equipped with five Rees Roturbo Motor driven pumps. Three of them are 145 H.P. and the other two 100 H.P. respectively. The Rees Roturbo steam pump is driven by a two cylinder

Ballise and Moream Steam Engine. Any three of these pumps are ample to do the duty, while the others are spares so that the blast furnace department is well provided with spares in the event of a breakdown.

In the early days of the works, steel was produced by the Bessemer process, but on account of the unsuitability of the ore, the plant was abandoned, and the basic Open Hearth process is now adopted instead. There are now seven 30-ton Siemens-Martin furnaces and also one 150 ton mixer, which is operated with a hydraulic ram. Five furnaces are usually kept working, while the other two are laid off for relining, and in these circumstances the daily output is about 350 tons of steel. The furnaces are served by two 35 ton cranes with separate hooks for light lifts, and a Wellman charging machine, all driven by electricity. Gas is generated in a set of producers six of which are of Morgan type, and 12 are Poetters.

In the ingot casting department, there are two 50 ton electric cranes for handling the ladles etc., and hydraulic stripper. The ingots are drawn away by locomotives, and deposited in the soaking pits by means of a Wellman Charger. There are two sets of pits, one being heated by gas, and the other by coal. One set is generally sufficient to accommodate the output of the Open Hearth plant.

The cogging mill, which is adjacent to the Soaking pits, is driven by a 2,500 h.p. 2-cylinder steam engine of Davy Bros. of Sheffield, manufacture. The adjusting gear for the rolls, as well as live rollers, are operated by electric motor. The ingots are rolled down to blooms about six inches square. A hydraulic Shear ~~lengthen~~ does the cropping of the bloom ends, and also the cutting into short lengths. An ~~ex~~ electrically driven skip, and Wellman charging machine are employed to convey the blooms to the reheating furnaces.

The main rolling mill has five sets of rolls, all in one line, and all two high. The mill is driven by two steam engines, one at each end. One is a 3-cylinder simple engine of 12,500 h.p. of Daniel Adamson, manufacture. The other is a 2-cylinder Compound of 6,500 h.p. by Davy Bros. Either of these two engines is capable of driving the mill under normal conditions. The mill has been so laid out that rails, for instance, can be rolled direct from the blooms coming from the cogging mill. Usually two rails pass through the mill at the same time, a fresh bloom being drawn from the furnaces just before the previous one arrives at the last pass. The Chinese standard 85 lb. rails are rolled in double lengths, and cut off by means of a pair of saws, one of which is electrically driven, and the other worked by steam. The live rollers are worked partly by steam, and partly by electricity.

Behind the mill is the old fashioned rail-finishing shop, where rails are straightened, end milled, and drilled. Beyond this is the rail bed, equipped with a special rail-handling crane by Cravens. This crane also transfers rails to the new finishing shop, where there is an equipment of modern machines having individual electric drives for straightening, and drilling.

The principal product of the mill is rail. All oridinary sections are rolled, according to the demand, up to channels of 12" x 4", and joists of 12" x 6", or bars of 4" square.

Directly in line with the cogging mill, is the plate mill, also driven by a 2,500 h.p. Davy engine. There are two sets of rolls, both two high, one for roughing and the other for finishing, with a set of straightening rolls in line with the latter. The straightening rolls are driven by an electric motor. Plates are rolled from ¼" to 1" thick, from 2' to 7' wide, and with a maximum length of 40'.

The rolling department also includes two other mills, employed for rolling light rails, bars, fishplates etc. The Bar Mill is three high and is driven by a horizontal engine of 400 indicated horse-power, while the rail mill is worked by an old vertical engine, which still runs very satisfactorily. There is a separate finishing shop for the light rails, and close by are the shearing machines for trimming up plates.

Steam for all these mill engines is supplied by a battery of nineteen coal fired Lancashire boilers, and 8 Cornish boilers. The latter are devoted to the small mill and are fired with gas from the new blast furnaces. The hydraulic pumping station is situated close to the main rolling mill, and is equipped with four pumps, two of them being electrically driven. The hydraulic pressure is ultimately intensified to 300 atmospheres.

Behind the steel works there is the foundry, which is employed in turning out the castings required for the upkeep of the works. It is equipped with four cupolas; and castings up to 25 tons such as mill stands, and rolls, are frequently poured. The rolls are machined in a special shop at the extreme end of the works, which is equipped with a number of modern lathes, mostly arranged for individual electric driving. There is another machine shop close to the foundry, where general engineering work is carried out, a new boiler shop, standing by itself at the back of the main offices, and a small repair shop devoted to the blast furnace department.

Bricks for repairing the furnaces are made in the small factory just behind the machine shop. This has an equipment of five kilns, three Chilian mills, and a couple of stone breakers. Red bricks for building purposes are made in a separate factory at Huang King Kur, owned by the Company.

The nut and bolt making department is quite an important one and is capable of producing a wide range of fastenings, although the principle products are fish-bolts, and rail spikes. The machines include, beside the usual equipment of screwing and tapping machines, two Vincent presses for making spikes, one rivet making machine and two hot thread-rolling machines.

Electricity for power and lighting throughout the works is generated in two separate stations and these will shortly be centralised into one station. Another trubo-alternator of 1500 kilowatt capacity, to generate high tension current for transmission, will soon be erected. Thr main plant at present contains three 400 kilowatt and one 500 kilowatt Belliss Lancashire sets, generating direct current at from 410 to 480 volts. This station is supplied with steam by five Lancashire and Stirling boilers.

The other dynamos are under the same roof as the Cockerill blower belonging to the old blast furnaces. There are six dynamos each of 100 kilowatts, coupled together in pairs and driven by belts from three compound vertical engines. These engines are an interesting connection with the early days of the works. They are some of the original blowers of the Teeside Company, with the air barrels removed and the steam cylinders brought down on the top of the columns. They still work quite satisfactorily, although they have been in operation for over twenty years.

The transmission network is mostly of the overhead type, but there are also some underground feeders. These are of armoured cable, laid in brick trenches. There are about 176 motors aggregating 5,500 h.p. connected with the mains.

The steel works department includes a well-equipped chemical laboratory where tests of the raw material, and products are daily carried out, and also a physical testing laboratory. This is equipped with a 100 ton Buckton Tester, a hydraucally operated compression tester, and apparatus for making drop tests on full size rails.

The provision of an adequate supply of water for cooling has been a difficult probelem for the Works Engineers. As already stated the "lake" is drawn upon for the supply, but the water is not good, containing as it does a perseptible amount of acid, the effluent from the neighbouring arsenal. It has thus been decided to pump water from the Yangtze River into the lake and exclude drainage from the arsenal. The Yangtze water, however, contains an excessive amount of mud in suspension and this has to be passed through the settling beds before it is fit for use. These beds are now in use, and need frequent cleaning.

The entire works are now under the supervision of Dr. Z.T.K. Woo, who is assisted by a staff of 200 members, divided into ten departments, chiefs of which are mostly educated in Europe or America. There are also three Europeans in the employment of the works, as engineers, or foremen. There are about 4,000 workmen and labourers on the pay roll.

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MILITARY LAW
4-1
2331-9-48
AUG 25
WAR DEPARTMENT

COAL IMPORTATIONS - HANKOW - 1925.

	Fushun Coal.	Kailan Coal.	Shantung Coal.	Japan Coal.	Total.
	tons.	tons.	tons.	tons.	tons.
January.				1,000	1,000
February.	3,800			3,548	7,348
March.	4,859	1,588		12,305	22,352
April.	14,868	3,160	3,170	27,716	48,914
May.	13,440	8,603		21,479	43,522
June.	16,748	5,423		19,359	41,530
July.	13,630	14,497		6,992	35,119
August.	8,110	5,932		8,818	22,860
September.	15,065	11,169		16,128	42,362
October.	49,745	24,147		39,009	112,901
November.	2,200	10,140		32,000	44,340
	146,065	84,659	3,170	194,354	422,248.

The above are the Coal importations into the Hankow district of the Hankow Maritime Customs for the period January 1st 1925 to November 30th 1925. No imports during December owing to low water.

The Hankow district includes Hankow, Hanyang, Wuchang, Hwangshikong and Tayeh.

Of the coal imported during the months January/September, 60 persent is delivered direct to purchasers, the balance of 40 per cent being carried as stocks. The amounts imported during October and November go directly into stock for sale and delivery during the low water season, namely October till the following March. As regards The Peking Syndicate, when the Peking-Hankow railroad is in regular running order, carrys in Hankow an approximate stock of about 20 to 25,000 tons per month. When normal conditions are prevailing the quantity of Japanese coal is considerably less, its place being taken by Chinese coal which comes into this centre by railway and junk, so that even then the approximate imports and stocks would remain around the same figure.

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G-2 Report. 4410 - Armament and Ammunition.
Arsenals and Factories.
(REPLACE, replace 101.52)

2331-J-50

6-1

CHINA (Economic)

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
JUN 21 1934
2331-J-50
30

Subject: Yunnanfu Arsenal.

RECEIVED G/2 W. D. JUN 19 1934 WAR DEPARTMENT

1. Definite location (stating transportational facilities).

The Yunnan Arsenal is situated close to a small lake inside the city wall near the West Gate, Hsi Hai Tzu Pien, approximately 2 miles from the railway station (outside the South Gate of the city). Transportation facilities comprise trucks, bullock and horse carts.

2. Political group or individual leader controlling.

The Arsenal is under the direct control of the Headquarters of the 10th Route Army, the Commander-in-Chief of which is General Lung Yun, who is concurrently the Chairman of the Provincial Government under appointment from the Central Government at Nanking.

3. Capacity in: (capacity by day or month, state calibers and kinds).
Monthly.

a. Small arms ammunition.
At full capacity 6,000 rounds of ammunition for infantry rifles (calibres ranging from 6.5 to 7.9 m.m.) and 2,500 rounds of ammunition for machine guns can be turned out.

b. Artillery ammunition.
At full capacity 25 rounds of mountain artillery ammunition (7.5 cm calibre) can be turned out.

c. Special ammunition (trench mortar, gas, etc.).
No special ammunition, trench mortar shells, gas shells, etc., are now being manufactured but it is believed that trench mortar shells may be manufactured at some later date.

d. Pistols.
No pistols are being manufactured.

e. Rifles.
At full capacity from 20 to 30 pieces of single shot Mauser type infantry rifles (7.9 m.m. calibre) can be turned out.

f. Machine guns.
No machine guns are being manufactured.

g. Field guns.
No field guns are being manufactured.

h. Special weapons (automatic, trench mortars, 37 m.m., howitzers, etc.)
No special weapons are being manufactured.

4. Power plant - general description - how distributed.

The Arsenal is powered by electricity in the daytime only, the electricity being supplied by the Yao Lung Electric Light Company, Yunnanfu. The distributing capacity of the power company is not

large and is as yet rather unreliable. In addition to the electric power equipment the Arsenal has a steam boiler installation (German) capable of developing 160 horsepower.

5. Machine equipment - brief general description - where manufactured - old or new. Is plant capable of expansion?

The Arsenal is divided into 7 shops - Ammunition Shop, Machine Shop, Foundry Shop, Filing and Finishing Shop, Gun Bluing Shop, Molding Shop and Wood-working Shop - all in close proximity and virtually under the same roof. Practically all of the machine equipment is of German manufacture and was installed at different times ranging from 15 to 25 years ago. Most of the equipment, by reason of age and obsolescence, is considered to be inefficient.

Without appreciable additions, to the building and to the equipment, the Arsenal is not considered capable of much, if any, expansion. During the latter part of 1933, the Yunnan Provincial Government contemplated the further installation of a small but up-to-date plant, capable of turning out standard infantry rifles and light artillery, and, during the visit to Yunnanfu of the German Consul-General from Canton, he was requested by the Provincial Chairman to have German manufacturers of arsenal equipment submit bids. Because of shortage in Government funds the matter is still in abeyance and will probably be so for some little time.

6. Personnel - approximate number employed, quality of workmen - nationality and number of technical foremen.

The personnel of the Arsenal is said to comprise 400 workmen, 55 technical foremen and 20 office employees (peace time strength). With the exception of the majority of technical foremen, who come from other parts of China, the personnel are Yunnanese and are locally trained. There are no foreign advisers connected with the Arsenal but various French manufacturers of arms and munitions have from time to time maintained experts in Yunnanfu.

7. Material (where obtained, quality, etc.).

a. Powder and explosives.
All powder and explosives are obtained from France through representatives of French firms.

b. Iron and steel.
Ordinary commercial steel and scrap iron is obtained from Hongkong and Shanghai.

c. Copper and brass.
Copper is produced in the province and brass is manufactured by the Arsenal.

d. Gas.
No gas is manufactured.

G-2 REPORTS

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G-2 Report. 4410 - Armament and Ammunition. Arsenals and Factories. (REPLACE, replace 101.52)

CHINA (Economic)

Subject: Yunnanfu Arsenal.

8. General Remarks.

The Yunnanfu Arsenal was established during the latter part of the Ching Dynasty and was at that time known as the Machine Factory, under the supervision of the Director of the Mint. It was not until about one year after the institution of the Republic that the plant was reorganized and recognized as an Arsenal. Initially all activities were confined to the repairing of rifles and refilling shells and cartridges.

Under present conditions the Yunnanfu Arsenal cannot be considered as a first class institution, its manufacture of rifles and ammunition being comparatively poor and used only by local militia bodies. When high grade military equipment is needed, dependence on imports from foreign countries is essential. By working night shifts the capacity of the Arsenal could be increased perhaps 50 per cent but the quality would still be poor.

SOURCE: American Consul, Yunnanfu.

COMMENTS: This arsenal is not a modern or first class institution, and has no influence in any but civil wars. Dependence for war munitions during recent years has been placed entirely upon the French controlled Indo-China-Yunnanfu railway, the control of which makes it possible for the French to have a monopoly on all war munitions sales in the province and, by regulating the importation of those materials, to exercise a most powerful, if not decisive, influence upon provincial politics.

S. V. Constant

S. V. Constant,
Major, Cavalry (D.O.L.),
Acting Military Attache.

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G-2 Report

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REPLACE 92 and 93

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
DEC 5 1933
2331-9-50
29
WAR DEPARTMENT

RECEIVED G/2 W. D. DEC 4 1933

CHINA (Economic)

Subject: Shantung Arsenal at Tsinanfu, Shantung

(formerly called Hsincheng & Tsinan arsenal)

1. Definite Location:

8 km. south of Tsinanfu on Tientsin-Pukow Railroad. Also good motor road from Tsinan.

2. Political Group or Individual Leader Controlling:

General Han Fu-chu, Chairman of Provincial Government of Shantung.

3. Capacity in:

a. Small Arms Ammunition:
60,000 rounds rifle and machine gun cartridges daily.

b. Artillery Ammunition:
None made.

c. Special Ammunition (trench mortar, gas, etc.)
Hand grenades on small scale.

d. Pistols:
Made on small scale.

e. Rifles:
Made on small scale.

f. Machine Guns:
Heavy machine guns in small numbers.

g. Field Guns:
None.

h. Special Weapons:
Thompson type sub-machine guns. Machinery for manufacture of trench mortar shells is available.

4. Power Plant:

Steam engines (no central power plant).

5. Machine Equipment:

Old machinery transferred from Tehchow Arsenal. It is believed that the machinery of this arsenal has been kept in much better condition than that in the average Chinese arsenal. Now that the efficient Han Fu-chu directly controls it, improvement can be expected.

From M/A, China Report No. 8684 November 7, 1933

CHINA (Economic)

Subject: Shantung Arsenal at Tsinanfu

6. Personnel:

About 2,000 men, probably all Chinese although a German adviser is present from time to time.

7. Materiel:

a. Powder and Explosives:
Powder is believed to be manufactured in a special plant near the main arsenal.

b. Iron and Steel:
By purchase from outside the province.

c. Copper and Brass:
By purchase from outside the province.

d. Gas: No gas used.

8. General Remarks:

Historical sketch from American Consul, Tsinanfu:

"The Hsincheng Arsenal, situated a few miles outside the city of Tsinan near the Tientsin-Pukow Railway, was established in 1920 and later (1926-1927) enlarged with machinery and other equipment removed from the arsenal at Techow. At one time under Tupan Chang Tsung-ch'ang, approximately 1,500 people were employed and the monthly output was in the neighborhood of 2,000,000 rounds of small arms ammunition, 20,000 hand grenades, and 2,000 75 mm. mortar shells.

"Although actual control of the Hsincheng Arsenal has, until recently, rested in the various military governors of the province, nominal control has always been claimed by the Central Government.

"Since the establishment of the National Government the Ministry of War has endeavored to resume active control over several arsenals in China which, for all practical purposes, were being used as the personal property of local warlords. Shortly after the overthrow of Tupan Chang Tsung-ch'ang in 1928, Nanking made it clear to Chang's successors that the Hsincheng Arsenal would thereafter be controlled and operated at the expense of the Central Government and, without consulting General Han, sent a Superintendent to Hsincheng with instructions to take over charge.

"Obviously, such an arrangement fell short of General Han's expectations. It was not, however, until November 1932 when he was at war with General Liu Chen-nien in Eastern Shantung, that the handicap of having no arsenal

REPLACE 92
and 93

CHINA (Economic)

Subject: Shantung Arsenal at Tsinanfu

of his own began to trouble him deeply. It is stated on good authority that when Han's troops were besieging Laiyang, Nanking gave secret orders to the Hsincheng Arsenal to transfer all its ammunition to Suchow in Kiangsu, and that only by a coincidence some of Han's troops discovered and detained two car loads of arsenal ammunition as they were leaving Yenchow for the south. This incident, followed by others of a similar nature already reported, served to create a feeling of mutual mistrust between Nanking and the Shantung Chairman over military matters in general and the Hsincheng Arsenal in particular.

"Nothing further happened until early in 1933 when Colonel Hu Tien-yi, Nanking's Superintendent, received an instruction from the Arsenal Administration of the Ministry of War to dismantle the Hsincheng Arsenal and send all the machinery to Hanyang. Curiously enough, when the workmen, numbering over 1,000, learned of this order they threatened to go on strike until it was revoked, on the ground that removal would deprive them of a source of livelihood. A deadlock ensued which lasted until July 1, when, to the surprise of everyone not acquainted with what had been going on in the matter at Headquarters, General Han announced his assumption of control over the arsenal in accordance with the following terms of an agreement with the Central Government:

"(1) The Shantung Provincial Government will take over control of the Hsincheng Arsenal as of July 1, 1933.

"(2) In future, the Arsenal will be known as the Shantung Arsenal.

"(3) Hereafter, all operating and other expenses of the Arsenal will be paid by the Provincial Government.

"(4) Materials stored in the Arsenal, valued at $200,000 will be sold to the Provincial Government at half price, payment to be made in five monthly instalments of $20,000 each. The Central Government has the option of deducting the amounts due from the monthly subsidy granted for the support of the Third Route Army."

Source: Consul, Tsinanfu, and study in M/A office.

COMMENTS: Han Fu-chu's assumption of complete control of this arsenal will probably increase its output. Its location on the Tientsin-Pukow Railway gives it rail service to north and south and also to Tsingtao via the line from Tsinan to Tsingtao. The importation of supplies is also practicable via the port of Chefoo from where they can be trucked on a good motor road to the Tsinan-Tsingtao railway.

For and in the absence of the Military Attache:

S. V. Constant
S. V. Constant
Major, Cavalry
Assistant Military Attache

HLB

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4 MID
1 File

G-2 Report

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OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
MAR 2 1933
WAR DEPARTMENT
RECEIVED G/2 W. D. MAR 1 1933

4-1 2331-J-50 28

CHINA (Economic)

Subject: Re-opening of the Mukden Arsenal

The following is submitted as additional information for the Digest 4410, page 90.53, "Mukden Arsenal":

8. General Remarks

In the course of the Japanese occupation very little damage was done to the equipment of the Mukden Arsenal and they confined themselves to removing certain key machinery and appropriating ready equipment such as airplanes, completed ordnance stores, etc. From the time of occupation until November 1932 the Military made use of the arsenal for ordnance and airplane repair purposes only.

On November 3rd the Kwangtung Army Headquarters announced the projected establishment of an organization to be known as the Mukden Arsenal (奉天造兵廠) which will take over and use the former Mukden Arsenal plant.

It has been announced that this new arsenal is to be a civil stock corporation. Mr. E. Kurosaki is to be director of the corporation. The Kwangtung Army has sent representatives to investigate the manufacturing facilities of the arsenal and to assess the value of the plant, and it is reported that it was assessed at the ridiculously low figure of Yuan 3,000,000. Three Japanese firms are to subscribe Yuan 1,000,000 to the new organization, which is to be a joint corporation in which the Manchoukuo Government and the Japanese private interests concerned will participate on equal terms.

It has been reported from a reliable source that operation of the plant will at first be restricted to the manufacture of small arms ammunition.

The "Manchu Nippo", a Mukden Japanese daily, under date of November 14th stated that 43 Japanese destined for employment in the new arsenal had arrived in Mukden on November 11th and that operation would soon start with a personnel of 200 Japanese and 2,000 Manchurians.

Two hundred Chinese workmen had already been assembled and kept busy at the plant doing work of preparatory character, such as policing the plant and putting the heating system in order. Manufacture of small arms ammunition is believed to have begun in November.

SOURCE: Report of American Consul A. S. Chase, Mukden, dated November 23, 1932, and various press despatches.

COMMENTS: It is interesting to note that the capacity of the Mukden Arsenal was 500,000 rounds per day of the following rifle ammunition: 7.9 mm, 6.5 mm (Japanese), 7.7 mm (Russian), and therefore production of ammunition to some extent usable by

CHINA (Economic)

Subject: Re-opening of the Mukden Arsenal

Japanese or Japanese armed Manchoukuo troops could be started immediately.

It seems reasonable to suppose that the parties concerned will not limit their activities at the arsenal to this venture in small arms ammunition manufacture only and will endeavor to realize some benefit, military or economic, from the tremendous investment the plant represents. Among the various facilities it seems likely that the Japanese Military may find at least a few which it will pay them well to avail themselves of. Such a course might prove economical both by reason of the low cost of the items produced and also in its provision of a method by which the expenses of the Japanese War Department could be readily camouflaged by transfer of the account to Manchoukuo.

Large scale use of the arsenal for manufacture of industrial equipment not imperatively needed by the Military would seem unlikely in view of the probability that most of the articles manufactured would be directly competitive to Japanese wares.

Efforts will be made to keep in touch with the new activities of the Mukden Arsenal.

W. S. Drysdale
W. S. Drysdale
Lieutenant-Colonel, Infantry
Military Attache
for acc

RHS

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2331-9-20

WAR DEPARTMENT

G-2 Report.

4410.

CHINA (Economic).

Subject: Activity of Mukden Arsenal.

RECEIVED G/2 W. D. FEB 4 1933

A despatch from Mukden of January 19th to London states:

"There is an increase of the activities of the huge arsenal at Mukden, which was lately reopened by the Japanese in partnership with the Manchuokuo. The President, Lieutenant General Kurosaki, who is returning from Japan, reports that he has been unable to engage an experienced technical staff there as the Japanese munition factories and industrial plants are overtaxed to meet urgent demands".

From: M.A. London. Report No. 33327. Date: January 20, 1933.

Cortlandt Parker,

CORTLANDT PARKER,
Lt. Col., F.A.,
M.A., London.

4-1

NO OBJECTION TO PUBLICATION
IN SERVICE JOURNALS
2331-J-50

26

December 15, 1932. WAR DEPARTMENT

Japan. 6540 - Government Production of Military Supplies.

Mukden Arsenal.

RECEIVED G/2 W.D. JAN 5 1933

1. The old Chinese Arsenal in Mukden is to be re-opened and operated as a semi-official establishment, financed by both Manchukuo and Japanese capital.

Arms, airplanes, and ammunition for the Manchukuo forces, and tools and machinery for agricultural and industrial purposes, will be manufactured there.

2. Lieut. General Enjiro Kurosaki, retired, was designated to take charge of the arsenal, and left Tokyo for Mukden on the 3rd of November.

The following summary of duties performed by General Kurosaki, in the past, give an idea as to his qualifications for this duty:

a. Chief of the Technical Section, Osaka Arsenal.
b. Chief of General Affairs Bureau, Army Technical Headquarters.
c. Head of the Osaka Arsenal.
d. Member of the Military Technical Council.
e. Chief of the 1st Bureau, Army Technical Headquarters.
f. Head of the Army Chemical Laboratory.

He has studied Ordnance in Europe and America.

(Source: Official Gazette; various press dispatches).

R. S. Bratton
Major, Infantro (D.O.L.)
Asst. Military Attache.

1st Ind.

Military Attache, American Embassy, Tokyo, Japan, Dec. 15, 1932 - To: A.C. of S., G-2, War Dept., Washington, D.C.

1. Approved.

J. G. McIlroy
Lieut. Colonel, G. S.,
Military Attache.

MA/Tokyo Report No. 6566 15 December 1932.

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
2331-J-50
25 4410
WAR DEPARTMENT

G-2 Report

CONFIDENTIAL

4-1 JUN

Morris 2331-J

NO. 22

CHUNGKING ARSENAL

RECEIVED G/2 W. D. JUN 21 1932

1. Definite Location:

On the south bank of the Yangtze River just opposite the city of Chungking, Szechuan. A tractor shop is located in the city of Chungking (see Report No. 8281) 2281-J-21/1
The Yamgtze River furnishes direct water transportation.

2. Political Group or Individual Leader Controlling:

This arsenal is under the direct control of Marshal Liu Hsiang who also commands the 21st Szechuan Army.
The work of the arsenal is under the supervision of a German chemist.

3. Capacity (monthly):

(a)	Small arms ammunition	- 20,000 rounds
(b)	Artillery Ammunition	- None
(c)	Special ammunition	- 500 lbs. smokeless powder
		- 50 " T.N.T.
		- 25 " Chloropicrine
		A small number of 25 and 60 lb. airplane bombs have also been manufactured.
(d)	Pistols	- Not known
(e)	Rifles	- " "
(f)	Machine guns	- 20 Lewis guns. The arsenal also manufactures a sub-machine gun similar to the Thompson.
(g)	Field guns	- None.
(h)	Special weapons	- Not known.

4. Power Plant: Not known.

5. Machine Equipment: Not known.

6. Personnel: Not known.

7. Material, where obtained: Not known.

8. General Remarks:

Marshal Liu Hsiang refused several requests to visit the arsenal in April 1932. The above information, necessarily incomplete, was received from reliable sources. It is hoped to complete this report as information becomes available.

For and in the absence of the Military Attache:

Parker G. Tenney
Parker G. Tenney
Captain, Field Artillery
Assistant Military Attache

From M/A, China Report No. 8292 May 19, 1932

OFFICE CHIEF OF STAFF
MILITARY INTELLIGENCE DIV.
2331-J-50
WAR DEPARTMENT
RECEIVED G/2 W.D. JAN 29 1931

10. TAIYUANFU ARSENAL

Information as of December 12, 1930. Replace Report No. 7784.

On December 12, 1930, a foreigner, at one time connected with this arsenal and recently returned from Taiyuanfu, furnished us with information believed to be thoroughly reliable and of such a nature as to warrant the following revision of last report submitted on said arsenal:

1. Definite Location

Located about one mile outside the north gate of the city.

2. Political Group or Individual Leader Controlling

Since retirement of Yen Hsi-shan it is expected that Shang Chen will be temporarily in charge until the Nationalist Government or Marshal Chang Hsueh-liang disposes of same.

3. Capacity, as of July 10, 1930, in:

a. Small Arms Ammunition.

Daily output 120,000 rounds of Caliber 7.9 and 6.5 (Japanese size) rifle and machine gun ammunition. Small quantity of pistol ammunition turned out at intervals.

b. Artillery Ammunition.

Daily output 1500 - 75 mm. shell and shrapnel complete and 200 10.5 shell complete. Two type fuses made: the double-banked time fuse (for shrapnel) and the double-pellet percussion fuse (for H.E.); fuses are made in but one size and used on both the 75 and 10.5 ammunition, an adapter being employed for the larger shell. Work had already been started on 88 mm. ammunition for a new gun then under construction.

c. Special Ammunition.

1500 trench mortar shells, 3 inches, daily
2000 #1 hand grenades, daily
2500 #2 hand grenades, daily
(Note: #1 is larger than #2).
No air bombs made although they reported a supply in storage that had been manufactured there.

d. Pistols.

500 Mauser type being made monthly

e. Rifles.

1500 caliber 7.9 turned out monthly; it appeared to be the only caliber being made and was so reported by the director.

f. Machine Guns.

30 guns per month, these of two types, the Maxim water-cooled and the French Chauchaut.

g. Field Guns.

Arsenal has a capacity for making 30 old-type 75 mm. guns per month.

From M/A China Report No. 7910 Dec. 19, 1930

Two sizes of 75 mm. mountain guns are made here, i.e., long and short tube lengths, respectively, each having attachable breech-block (interrupted screw type).

This arsenal also produces the 88 mm. German model gun.

105 mm. howitzers have also been made here. Designs have been completed and material ordered for the manufacture of 120 and 150 mm. heavy field howitzers. Shops have been laid out for building tractors to handle these guns. All material is on order from Germany.

h. Special Weapons.

300 - 3 inch trench mortars per month; large reserve on hand. No other type of trench mortar being made.

4. Power Plant

Electric power for the arsenal is furnished by three large generators, one Dutch (12 - 1500 kw.),one German (500 kw.) and one English (2500 kw.); the installation is excellent.

An additional power plant is in process of construction and is expected to be in operation by April, 1931.

5. Machinery

Installed throughout the Arsenal is reasonably modern machinery which appears to be in good condition, divided among American, British and German companies as to manufacture.

The shops are crowded and the light is poor. A number of new buildings have been constructed and machinery of German make is being installed; a modern hydraulic press of Danish make is also being put in. Four modern machines of German make have recently been added for finishing the small arms ammunition.

6. Personnel

About 8,000 are employed in the Arsenal and 500 in the powder plant, all male. A large number of boys ranging from eight to twelve are employed in the small arms ammunition department. Labor is nominally paid by the day, although some piece work is done. Pay for boys averages about 40¢ Mex. per day; adults receive from $30 to $40 Mex. per month.

Four Germans and one Dane are employed as advisers to the various departments. The Dane's work is chiefly in connection with the press.

7. Material

a. Powder and Explosives

Adjacent to the Arsenal is a powder plant which supplies a large proportion of high explosives used in the Arsenal. The plant is equipped with modern machinery, but does not wholly meet the demands. Picric acid is not made in the powder plant proper but in another building separate therefrom though within the arsenal enclosure. A new smokeless powder plant is being constructed, and will be in operation by April, 1931; it is reported that this will be the most complete and modern powder factory in China when finished.

b. Iron and Steel

A small plant is in operation where steel is made, but it is not satisfactory. Most of the steel is imported.

Considerable pig iron is made at a foundry on the Cheng-Tai Railroad at Tangts-men (Yang Ch'uan) where coal and iron are both mined. The coal is of a good grade (14,800 B.T.U. per pound) but the sulphur and phosphorus content is too high in the iron ore for it to be used for good steel.

c. Copper and Brass

Much of the brass used for making cartridge cases is made in the Arsenal, copper being purchased from outside sources, but many cartridge blanks are brought from Japan and Sweden.

d. Gas

No gas or gas shells made.

e. Miscellaneous

Coal is produced in large quantities in the province, especially along the railroad between Shihkiakwang and Taiyuanfu, and is very accessible to the Arsenal.

8. Remarks

This Arsenal must be ranked next to the Mukden Arsenal. The installation including buildings, machinery, etc. make up a very efficient plant, and if properly organized could meet the demands made upon it, providing raw material was available. There is a deplorable lack of appreciation of exactness and precision (common to all arsenals in China) which results in faulty weapons and munitions being turned out to the troops in the field; this is particularly true in the case of small arms ammunition, to the extent that gun jams are the rule rather than the exception.

There is a large storehouse located inside the walled city and the daily output from the Arsenal is stored therein to await distribution.

MBD/edb

Distribution:

4 MID
1 File

Nelson E. Margetts
Lieutenant-Colonel, Field Artillery
Military Attache

OFFICE CHIEF OF STAFF
M.I. INTEL. DIV.
WAR DEPARTMENT

Y-1

2331-J-J 0 1930

G-2 Report. 4410.

CHINA (ECONOMICAL)

Subject: ARSENALS.

RECEIVED G/2 W. D. SEP 3 1930

1. In compliance with a request for information on arsenals contained in the "Evaluation of Reports from M/A, China", dated June 12, 1930, the following data is submitted. This data was obtained from officers from the provinces concerned, who are now students at the Peking War College. They state part of the data is personal knowledge, and that part is from data included in their courses on Manufacture of Military Supplies and Ammunition. Such data is gathered by instructors in these departments, when these arsenals are visited.

2. At Yunnanfu, the explosion mentioned destroyed the storage warehouses and the already manufactured supplies on hand. These warehouses were at a sufficient distance from the factories themselves, that the factories were not affected by the explosions, and production was not stopped. Other warehouses were found for temporary use, but a few small storage depots have now been rebuilt. The data on this arsenal is as follows:

a. Controlled by Provincial Government.
b. Daily maximum output;
150,000 rounds small arms ammunition
15 rounds artillery ammunition 75m/m.
20 rifles.

This arsenal does not manufacture machine guns, artillery, or special arms.

c. The power plant is steam, no electricity.
d. The machinery averages about ten years old.
e. The force consists of two Chinese Engineers in charge assisted by four Chinese and two foreign technical experts. There are twelve hundred laborers.
f. Copper is mined locally. All other supplies are imported, usually through Hongkong or French Indo-China.
g. This arsenal's output must be supplemented by outside purchases in case of any more than the usual demand, as the output is insufficient to meet any condtion more serious than that of peace times.

3. The Arsenal at Nanchang, in the province of Kiangsi is still functioning. In 1928, the Nanking Government issued an order that certain arsenals were to be converted into factories for manufacturing agricultural machinery, etc., in pursuance of the policy of military reorganization and disbandment. Work was stopped temporarily while plans were being drawn up, the machinery being converted, etc. However, after a few months the periodical war again broke forth, and the laborers were again put to work on production of war supplies. Today this arsenal is still funtioning. It is under the control of Nanking and is affiliated with the Shanghai Arsenal. All raw materials and supplies for this arsenal are purchased by the Shanghai Arsenal, who make periodical trips to Nanchang to inspect. There are at present about a thousand men employed under Chinese shop managers, there being no permanent foreign technical staff. The main output is small arms and small arms ammunition. Considerable work is done on repair of rifles, machine guns and trench mortars, etc.

CHINA (ECONOMIC)

ARSENALS

With present force its maximum capacity is about 30 rifles per day and 150,000 rounds of small arms ammunition.

4. The Arsenal at Hangchow in the province of Chekiang will be reported on in more detail as soon as the data and facts listed herein can be verified. From present reports, this arsenal is under the control of Nanking and is affiliated with the Shanghai arsenal, through whose agents all raw materials, supplies, etc, are purchased as in the case of the Kiangsi arsenal just mentioned. It employs about twenty-five hundred men and has a technical staff of seven Chinese and two foreign engineers. At present it is specializing on repair work--rifles, machine guns, artillery, tranch mortars, etc., but is capable of producing new arms and ammunition as follows:

a. 200,000 rounds small arms ammunition per day.
b. 50 rounds artillery ammunition per day.
c. 50 rounds tranch mortar ammunition per day.
d. 50 rifles per day.
e. 2 machine guns per day.
f. 2 trench mortars per day.

Distribution:

4 MID
1 File
1 Tientsin

Nelson E. Margetts
Lieutenant-Colonel, Field Artillery
Military Attache

OFFICE CHIEF OF STAFF
MILITARY INTELLIGENCE DIV.
SEP 6 1930
2331-J-50
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WAR DEPARTMENT

G-2 Report 4410 Replace

10 - TAIYUANFU ARSENAL.

RECEIVED G/2 W. D. SEP 3 1930

Information as of July 10, 1930. Replace Report No. 7718.

On July 10, 1930, I visited this Arsenal and the following information was obtained:

1. Definite Location.

Located about one mile outside the north gate of the city.

2. Political Group or Individual Leader Controlling.

Yen Hsi-shan, who exercises close supervision on all activities, and he alone authorizes foreign visitors.

3. Capacity in:

a. Small Arms Ammunition.

Present daily output 120,000 per day (Caliber 7.5) this includes rifle and machine gun. Small quantity pistol ammunition turned out at intervals.

b. Artillery Ammunition.

Present daily output 1500 75m/m shell and shrapnel complete with combination fuse. 200 - 10.5 shell are turned out daily, complete, and work is commencing on the 88 m/m ammunition for the new gun now under construction.

c. Special Ammunition.

1500 trench mortar shells 3 inch, daily.
2000 #1 hand grenades, daily.
2500 #2 hand grenades, daily.
(Note: No. 1 is larger than No. 2.)
No air bombs being made although they report a supply in storage that were manufactured here.

d. Pistols.

500 pistols Mauser type made monthly.

e. Rifles.

1500 rifles caliber 7.5 turned out monthly, this appears to be the only caliber now being made and was so reported by the director

f. Machine Guns.

At present they are turning out 30 machine guns monthly, these are of two types, the Maxim water-cooled and the French Chauchaut.

g. Field Guns.

They have a capacity for making 30 old type 75 m/m guns per month. At present the old 75 m/m is not being made but part of this

division of the arsenal is doing repair work on guns sent back from the front.

Just now they are working on an order for 20 new model 75 m/m mountain guns and 20 of the 88 m/m German model guns.

Three 105 m/m howitzers were nearing completion, it was reported they have about 20 of these howitzers at the front.

h. Special Weapons.

At present they are concentrating on the production of a 3 inch trench mortar, they are turning out 300 monthly and have a large reserve supply on hand. No other type of trench mortar is being made.

4. Power Plant.

Electric power for the Arsenal is furnished by three large generators, one Dutch and two German make, the installation is excellent.

An additional power plant is in process of construction and is expected to be in operation by April, 1931.

5. Machinery.

Installed throughout the Arsenal is reasonably modern, and appears to be in good condition, most of it is of German make.

The shops are crowded and the light is poor, a number of new buildings have been constructed and machinery of German make is being installed, including a modern hydraulic press. There has recently been added 4 modern machines for finishing the small arms ammunition, German make.

6. Personnel.

There are about 8000 personnel employed in the Arsenal and 500 in the powder plant, all male.

One is impressed with this large number of young boys ranging from eight to twelve years of age, employed in connection with the small arms ammunition department, labor is nominally paid by the day, although some piece work is done, pay for boys average about 40 cents Mex. per day, adults receive from 30 to 40 dollars Mex. per month.

Five Germans are employed as advisers to various departments.

7. Material.

a. Powder and Explosives.

Adjacent to the Arsenal is a powder plant, which supplies a large proportion of high explosives used in the Arsenal. The plant is equipped with modern machinery, but does not wholly meet the demands. A new plant is being constructed and will be in operation by April, 1931. It is reported this will be the most complete and modern powder factory in China when finished.

10 - TAIYUANFU ARSENAL.

b. Iron and Steel.

A small plant is in operation where steel is made, but it is not satisfactory. Most of the steel is imported.

They make considerable pig iron at a foundry on the Cheng-Tai Railroad at Tangts-men (Yang Ch'uan) where coal and iron are both mined.

c. Copper and Brass.

Much of the brass used for making cartridge cases is made in the Arsenal, copper being purchased from outside sources, but many cartridge blanks are bought from Japan.

d. Gas.

No gas or gas shells are made.

e. Miscellaneous.

Coal is produced in large quantities in the province, especially along the railroad between Shihkiakwang and Taiyuanfu, being very accessible to the Arsenal.

The director stated they received nothing in the way of military supplies from the Mukden Arsenal.

8. Remarks.

This Arsenal must be ranked next to the Mukden Arsenal. The installation including buildings, machinery make up a very efficient plant and if properly organized could meet the demands made upon it, providing raw material was available. At present there are many agents representing business houses in China who are selling large quantities of miscellaneous war materials to the Northern armies.

There did not seem to be the same energetic spirit in evidence as seen in the Government arsenals at Hangyang and Shanghai. The reduced number of hours the plant is worked daily is no doubt due to the absence of raw material, surplus raw material was not observed.

There is a large storehouse located inside the walled city and the daily output from the Arsenal is stored therein to await distribution.

Nelson E. Margetts
Lieutenant-Colonel, Field Artillery
Military Attache

4410 - Replace
OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
JUL 18 1930
2331-9-50
WAR DEPARTMENT
RECEIVED G/2 W. D. JUL 18 1930

12 - NANKING ARSENAL

(Information as of May 17, 1930 - Replaces former reports)

1. **Definite Location:**

To the south of Nanking, just outside the wall surrounding the city. No rail connection; road leading thereto very bad; water transportation is the canal running around city.

2. **Political Group or Individual Leader Controlling:**

The Nationalist Government under Chiang Kai-shek is in control.

3. **Capacity in:**

a. **Small Arms Ammunition:**
Working at maximum capacity they are turning out 70,000 rounds per day.

b. **Artillery Ammunition:**
No artillery ammunition is being made at present.

c. **Special Ammunition:**
At present a large force is concentrating on manufacturing hand granades and fuzes for same; average 2,000 per day.
120 - 60 lb. airplane bombs per day.

d. **Pistols:**
No pistols firing ball cartridges are being made at present, but one section is turning out Very or signal pistols under emergency order, 150 per day.

e. **Rifles:**
No rifles being made at present, but large number on hand undergoing repair.

f. **Machine Guns:**
40 per month of Maxim type, water cooled, and many unserviceable being repaired.

g. **Field Guns:**
None being made. There are a number of different types being repaired, principally Krupp 75 mm, Japanese 3-in. and 75 mm's from Mukden Arsenal.

4. **Power Plant:** Old and in poor condition.

5. **Machine Equipment:** All old and requires constant repair.

6. **Personnel:**

1000 men employed; no foreigners. Organization not so good. Morale appears poor due to unpleasant conditions under which personnel works. The buildings are old and dark; in most cases laborers work with aid of electric light bulb hanging over machine.

12 - NANKING ARSENAL

7. **Materiel:**

a. **Powder and Explosives:**
There is a small powder factory in the vicinity but it is now closed. All powder and explosives received from the United States and Mukden.

b. **Iron and Steel:**
Received from England and Germany.

c. **Copper and Brass:**
Copper received from the United States; they make all brass used.

8. **General Remarks:**

This arsenal does not compare favorably with the Hanyang or the Kiangnan (Shanghai) arsenal. The location is poor from point of view of transportation; the buildings are old and dark; the equipment is old, and it is remarkable that they accomplish what they do. The plant, aside from the making of small arms ammunition, is utilized almost wholly for repair purposes.

It is an interesting fact that the products from all arsenals controlled by the government is shipped to and distributed from Nanking, except in special cases approved by the responsible office in Nanking.

N E Margetts

Nelson E. Margetts
Lieutenant-Colonel, Field Artillery
Military Attache

Distributions:
4 MID
1 Tientsin
1 File

G-2 Report

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
JUL 18 1930
WAR DEPARTMENT

4410 - Replace

2331-9-50

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20

4 - KIANGNAN ARSENAL, SHANGHAI

(Information as of May 21, 1930 - Replaces our No.7393)

2331-9-50 (8)

RECEIVED G/2 W. D. JUL 18 1930

1. **Definite Location:**

At Kiangnan, about five miles south of Shanghai on the Woosung River. The ammunition factory, where all small arms ammunition and cartridge cases for 75 mm shells are manufactured, is adjacent, while the powder factory is at Kaochangmiao, across the river.

There is direct rail and water transportation, but the Woosung is congested with small river craft and junks.

2. **Political Group or Individual Leader Controlling:**

The Nationalist Government under Chiang Kai-shek controls this arsenal.

The director is a civilian engineer named Mr. Z. U. Kwank, who has had training at Sheffield, England, and has visited most of our big steel plants and arsenals. He is a very efficient person, but discouraged with the lack of modern facilities with which to comply with the requirements of the government.

3. **Capacity in:**

a. **Small Arms Ammunition:**

Working at maximum capacity they are turning out 170,000 rounds per day. This includes a number of different calibers of small arms, due to the fact that there are eight different makes of rifles in use by the government, four different makes of machine guns, and five different makes of pistols and revolvers, as per the following:

Rifles:		Machine Guns		Pistols & Revolver	
Mauser rifle -	7.9	Maxim -	7.9	Mauser pistol -	7.63
2 kinds "	6.8	Browning	7.9	" "	7.65
Russian "	7.62	Japanese	6.5	Browning "	7.65
Belgian "	7.7	Springfield	.30	" "	6.35
Italian "	6.6			Revolver	.32
Japanese "	6.5				
Lee Enfield	7.7(.303)				

All these different calibers are not beind made daily, but by roster and upon special order. The director states he has great difficulty in improvising his machines to accommodate the different calibers, but hopes soon to eliminate many until a standard caliber is adopted, when he will be able to double his daily output.

b. **Artillery Ammunition:**

Working at maximum capacity at present; turning out 300 75 mm shells complete per day.

No other artillery ammunition being made at present.

c. **Special Ammunition:**

150 - 45lb. airplane bombs per day, loaded and fuzed.

2000 - 3 in. Stokes mortar bombs per day.

Stacks of hand grenades were observed but no work going on in connection with them at this time.

4 - KIANGNAN ARSENAL, SHANGHAI

d. **Pistols:**
None being made but many on hand awaiting repair.

e. **Rifles:**
None being made; thousands on hand undergoing repair. These rifles, of different model, are sent in from the front in unserviceable condition. They show evidences of utter lack of care, mostly due to rust.

f. **Machine Guns:**
Working under pressure they are turning out 50 machine guns (Browning, water cooled) per month, and many unserviceable ones were observed undergoing repair.

g. **Field Guns:**
12 - 75 mm mountain guns being made per month. One shop was packed with material of 75 mm guns, German and Mukden make, and Japanese 3 in.; all in unserviceable condition awaiting repair.

4. **Power Plant:**

A central power plant equipped with German machinery has just been completed.

5. **Machine Equipment:**

With the exception of the power plant and two or three new machines which are being used for turning out parts of fuzes, all machinery is old and reported obsolete, but is cleverly utilized for carrying on the different work required.

6. **Personnel:**

3,000 men are employed, all Chinese. The director reported no foreigners employed but that several of the German advisers did work in the arsenal at intervals. Work is carried on 14 hours a day. No labor trouble, as men are informed that if they fail to carry on they will be sent to serve with military units at the front. All employees receive a regular wage; no piece work wages.

7. **Materiel.**

a. **Powder and Explosives:**
A small powder factory functions in connection with the arsenal, but the output is small and resorted to when supplies from outside fail to arrive. The director reports it is planned to close the powder factory when sufficient supply can be obtained from abroad.

b. **Iron and Steel:**
Obtained mostly from England and Germany.

c. **Copper and Brass:**
Copper is largely imported from the United States. All brass used is made in the arsenal.

4 - KIANGNAN ARSENAL, SHANGHAI

8. General Remarks:

It is very difficult to obtain admission to this arsenal. It was necessary to call in person on the Minister of War in Nanking to obtain permission, and then to have the Consul remind the Minister after our arrival in Shanghai, as they had failed to notify the director of the arsenal of authority granted.

This arsenal was built by the British sixty years ago for Li Hung-chang, about the time of the Taiping Rebellion. It was a very complete arsenal at one time and equipped with machinery to construct guns up to 6 in. caliber. All the old machinery is still intact but unserviceable from neglect.

This arsenal at present is being utilized largely for repair work and emergency orders. The director is discouraged because of unreasonable demands made on him by the government which he is unable to comply with.

I found them making on a small scale:

Bayonets and scabbards.
Leather powder carriers.
Tin cans for transporting combination time and percussion fuzes.

The organization appears to be efficient and under the present director is functioning to maximum capacity with facilities available.

Nelson E. Margetts
Lieutenant-Colonel, Field Artillery
Military Attache

Distribution:
4 MID
1 Tientsin
1 File

G-2 Report

OFFICE CHIEF OF STAFF
4410 - Replace
MIL. INTEL. DIV.
JUL 18 1930
2331-J-50
WAR DEPARTMENT
2331-J-50 (13)
RECEIVED G/2 W. D. JUL 18 1930

1 - HANYANG ARSENAL

(Information as of May 12, 1930 - Disregard our No. 7482)

1. **Definite Location.**

At Hanyang, about two miles up the Han River (on the right bank) from its junction with the Yangtse. It is above and immediately adjoining the Hanyang Iron and Steel Works across the Han River from Hankow. Connected by standard gauge railway with Hanyang Iron and Steel Works and docks on Yangtse River. Direct water transportation on the Han River for junks and small steamers. Traffic on the Han is very congested.

2. **Political Group or Individual Leader Controlling:**

The Nationalist Government at present controlling Wuhan.

3. **Capacity in:**

a. **Small Arms Ammunition:**
Present output 130,000 rounds per day, maximum capacity.

b. **Artillery Ammunition:**
At present only 37 mm infantry gun and ammunition for same being produced. This gun is an arsenal product and to date they have completed 40. Capacity is 8 per month. The foreign ordnance expert who accompanied us informed me it was a poor type, would not hold up, and he has recommended no more be manufactured.
The facilities for making artillery ammunition of larger caliber are limited and only made upon special order in an emergency.

c. **Special Ammunition.**
Varying amounts of hand grenades, 3-in. Stokes mortar bombs, and aerial bombs of 40, 60 and 120 lbs. are being made. They are working under pressure at the present time and turn out all that is possible during the fourteen hour working day.

d. **Pistols.**
The Mauser type with wooden case is made here upon order. At present no pistols are being made. Capacity 100 per day.

e. **Rifles.**
Turning out capacity of 200 per day. This is the German modified Mauser type, 7.9 mm, 1898. Of this 200 a variable number are carbines. From observation, the rifle is submitted to severe tests and appears to be an efficient weapon.

f. **Machine Guns.**
50 machine guns of the Browning model, water cooled, are completed per month. This is capacity, and personnel is working under pressure. All guns are given final test on small range in arsenal grounds before shipment.

g. **Field Guns.**
None being made at present. Capacity very limited and only made in emergency upon special order. However, there is a department where artillery of 75 and 77 mm caliber is being repaired and overhauled. Practically all artillery received by government is coming from Mukden Arsenal; some few guns from Germans. Nothing larger than 75 mm caliber employed in the field.

1 - HANYANG ARSENAL - cont'd.

h. Fuzes.
They are making 100 percussion fuzes per day for the 37 mm gun.

i. Canteen.
100 aluminium canteens with felt covers are made per day.

4. Power Plant.

A well equipped central power plant with Westinghouse equipment installed is comparatively modern. This plant supplies electric light to all buildings in addition to power.

5. Machine Equipment.

In the rifle plant practically all of the machinery is of German make (Ludwig Loew, Berlin), and built in about 1903 or 1904. The same kind of machinery prevails in the cartridge making plant, but here there are also some machines supplied by Nielsen and Winther, Copenhagen. All of the machinery in the machine gun plant is of American make, supplied by Pratt & Whitney and Brown & Sharpe. The machinery in the artillery plant is of German, British and United States manufacture.

The machinery is old and obsolete and 20% of the general product is rejected.

6. Personnel.

4500 men are now employed, all Chinese (no women). From observation it was apparent that all personnel understood the work on which engaged.

At present, due to emergency, the arsenal runs 14 hours per day.

At this arsenal, although rates of pay vary between different classes of laborers, the average is about 40 dollars Mex. per month.

7. Materiel.

a. Powder and Explosives.
There is a small powder factory located 3 miles further up the Han River, which manufactures a small amount of smokeless powder upon order. This factory functions when powder ordered from abroad fails or is late arriving. The quality is said to be poor, and it is planned to close this factory when emergency ceases or supply from abroad can be depended upon.

b. Iron and Steel.
All steel used in the plant is imported from Germany or England. Orders are placed with foreign firms in Hankow and delivery is effected there.

c. Copper and Brass are mostly received from the United States.

d. Gas: No production.

8. General Remarks.

This arsenal is reported to be the best equipped and most important of any under the control of the government.

1 - Hanyang Arsenal - cont'd.

In the present emergency the plant is being worked to capacity. The personnel seems interested and no labor trouble is reported; this can be controlled as the director stated that it was known among the laborers that if any disaffection was noted the guilty ones would be sent for assignment to units at the front.

The buildings are old and crowded with machinery; lighting arrangements are poor in many buildings, and workers carry on delicate operations with the aid of an electric light bulb.

There is a small test range at this arsenal where all machine guns are given a test by firing 500 rounds before being issued to the troops.

All completed products from this arsenal are sent daily to Nanking for distribution.

Nelson E. Margetts
Lieutenant-Colonel, Field Artillery
Military Attache

Distribution:
4 MID
1 Tientsin
1 File

4-1

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
2331-J-5081
WAR DEPARTMENT

No. 7714 1st Ind. JM:elh

Office of the Military Attache, American Legation, Peiping, China - April 30, 1930 - To: A. C. of S., G-2, War Department, Washington, D.C.

RECEIVED G/2 W. D. JUN 6 - 1930

Noted I. A. V.

1. A careful analysis of this O.N.I. report on Chinese arsenals shows conclusively that practically every important item of material contained therein came from the reports submitted by this office and is now (when not later replaced) contained in the Digest. In only one instance, namely Hanyang Arsenal, is any credit given. In specific instances of the more important arsenals I know that the material originated in this office and existed, as to figures, nowhere else. The only possibility of exception to this statement would be that the O.N.I. source had access to British sources with whom information has at times been exchanged.

2. In the following cases, the arsenals no longer exist: Kalgan, Techow, Liho, Chiaotso, Chengchow.

In the following, those mentioned in the O.N.I. report are merely machine shops where repairs are made and have no importance: Nanchang, Honanfu, Taoching, Lanchow, Hsianfu, Chungking, Tsitsihar, Foochow.

3. In reply to paragraph two, all available arsenal material is reported whenever it can be obtained. The failure to get fuller and more recent information is due to the secrecy attending all Chinese arsenal activities, and the inability to send reliable persons to the arsenal sites. I have repeatedly tried to get the Navy Intelligence officers to report on Kiangnan and Nanking. The British likewise, with all their unusual sources, cannot get information of them comparable to that available regarding Taiyuanfu and Mukden.

4. Attention is called to the frequency with which the smaller arsenals change hands in the present shifting back and forth of rival armies. Often complete or partial dismantlement takes place at such times and reliable information regarding their condition cannot be obtained except by fortuitous leaks from unscrupulous and secretive munitions dealers.

John Magruder
John Magruder
Major, Field Artillery (DOL)

No encls.

INTELLIGENCE DIVISION
In replying refer to
G-2/2331-I-50

WAR DEPARTMENT
OFFICE OF THE CHIEF OF STAFF
WASHINGTON

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
JUN 7 1930
2331-I-50
WAR DEPARTMENT

March 15, 1930.

Subject: Data on Chinese Arsenals.

To: The Military Attache, Peiping, China.

1. The enclosed O.N.I. report on Chinese arsenals is referred to you for evaluation and return and any revision of the pages now in the digest which you think is required.

2. It appears from a careful study of section 4410 of the digest in connection with the revision of the economic estimate that practically all of the digest pages concerning arsenals should be brought up to date. It will be noted that with the exception of Mukden and Hanyang the data on all the arsenals dates back to 1927 and 1928.

For the Acting A. C. of S., G-2.

W. H. Simpson
W. H. SIMPSON,
Major, General Staff,
Executive Officer, G-2.

encls.

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OFFICE CHIEF OF STAFF
MILITARY INTELLIGENCE DIV.
JUN 7 1930
2331-9-J
17
WAR DEPARTMENT
RECEIVED G/2 W. D. JUN 6 - 1930

10 - TAIYUANFU ARSENAL

1. **Definite Location:**

One mile north of Taiyuanfu, on branch of Taiyuan Railway (metre gauge).

2. **Political Group or Individual Leader Controlling:** Yen Hsi-shan.

3. **Capacity in:**

a. **Small Arms Ammunition:**

Maximum output: 100,000 per day. 7.9 mm and 6.5 mm rifle ammunition, machine gun ammunition, and .45 cal. Thompson type cartridges are made.

b. **Artillery Ammunition:**

75 mm shell and shrapnel are manufactured. Many are made of iron due to difficulty of importing steel. Maximum output: 7,000 per month. Maximum output of fuzes: 500 per day.

2,000 10.5 cm shells on hand. Output not known.

In general the approximate methods of manufacture have resulted in faulty projectiles which frequently burst in the bore.

c. **Special Ammunition:**

A few 21 cm trench mortar bombs are made. The regular supply (output unknown) of 8 cm bombs has probably provided a large reserve.

Air bombs are not in production.

d. **Pistols:**

A small number of automatic pistols are made for issue to officers.

e. **Rifles:**

6.5 mm type only manufactured. Maximum output: 70 per day. It is proposed to give all 7.9 rifles, including those in possession of the Shansi Army, to the Northwest Army (Kuominchun).

f. **Machine Guns:**

Maximum output: 6 per week of Vickers type (7.9 mm) and Hotchkiss (6.5 mm). Due to the lack of uniformity of manufacture of weapons and ammunition, jams after 5 rounds are very frequent. The functioning is markedly inferior to foreign weapons.

g. **Field Guns:**

10.5 Howitzer: Designed by German employee. Oil and spring recuperator, sliding breech block, tubular trail. One-piece gun (not built up). Iron used high in phosphorus and brittle. Muzzle velocity limited to 900 fps. Only 20-30 have been completed.

8.8 cm Gun: One has been produced in arsenal from design by a local German engineer.

10 - TAIYUANFU ARSENAL - cont'd.

No 75 mm field guns are manufactured. A few very inferior, one-piece tube, Japanese type field guns have been made, but are probably not in use.

75 mm Mountain Gun: Several hundred one-piece tube, spring recoil, hinged breech block guns have been made after the Japanese 1908 model. The muzzle velocity is about 1,000 fps. Maximum effective range about 3000-4000 yards.

A new model mountain gun is projected but only a few have been manufactured.

In general, the gun plant is disrupted due to a faulty combination of machinery which cannot be rectified in less than a year. Governor Yen is greatly dissatisfied with the plant which his own ill-timed economies rendered inefficient. The fact that the iron used is high in phosphorous, and that only one piece guns are attempted, makes the production of modern, high velocity, weapons impossible.

h. Special Weapons:

8 cm Trench Mortars: Maximum output: 30 per month. 300 are in the store-houses and the regular Shansi forces are fully equipped. Mortars are designed for pack transport.

21 cm Trench Mortars: Drawings exist but no mortars have been made (see 3.(c) of this report.)

Potato masher type of hand grenades are manufactured. Quantity unknown.

4. Power Plant:

Total present power 3,000 K.W. It is intended to add a further 2,500 K.W. set within a year.

5. Machinery:

The machine tool equipment is complete and modern. Under proper management it is capable of carrying out all machine processes for the manufacture of munitions. A gun plant originally designed by a German firm for individual-drive motors was purchased from another firm without individual motors. The buildings were not suitable for line shafts and this plant will be another year in reaching production.

The small arms and small arms ammunition plants are fairly efficient.

A 1½ ton German steel furnace has been installed, but is not in operation at present. The special lining and electrodes are burnt out and no replacements are on hand.

A 1500 ton hydraulic press (Nielsen and Winther) capable of drawing cartridge cases and forging shells up to 15 cm is in operation.

6. Personnel:

1 designer and 1 draughtsman (Germans) Gun Department (Krupp representatives).
1 German in Rifle Department.

10 - TAIYUANFU ARSENAL - cont'd.

6. Personnel - cont'd.

1 German in Electrical Department.
1 Dane in Shell and Cartridge Department (Nielsen and Winther's representative).
Six foreigners (5 German and 1 British) have left during the year.
8,000 Chinese employees.

7. Materiel:

a. Powder and Explosives.

A powder factory exists entirely separate from the arsenal, which is equipped with a complete modern German plant for the manufacture of explosives. The H. E. used is picrine. Sulphuric acid is made easily and cheaply, the sulphur being procured from the hills nearby. Cotton all grown in the province.

Powder factory has not yet reached the production stage. Present output is 300 to 500 lbs smokeless powder a day. Within a year the new factory will permit of an output of about one ton daily.

Salt-Petre is imported via Tientsin.

b. Iron and Steel:

Iron ore is obtained locally and pig iron made nearby. Steel is largely imported from Germany, despite the occasional use of a steel furnace at the arsenal.

c. Copper and Brass.

Copper is refined and rolled in arsenal but many cartridge blanks are still imported from Japan.

d. Gas: No gas is manufactured.

e. Miscellaneous:

Coal is produced in ample quantities in the province and is brought into the arsenal from the pit-head a few miles away at an average price of Mex. $4-$5 per ton.

8. Remarks:

The present equipment and plant was installed in 1926 when the whole arsenal was enlarged, and the present further extensions and additional machinery now being set up have the object of making the arsenal as self-contained as possible and able to dispense with the importation of special gun steel. Since the installation of the new plant in 1926 no material which could technically be termed "munitions of war" has been imported into Shansi, the arsenal being capable of producing everything from raw material. The Chinese arsenal employees are nearly all Shansi men, and the heads of the departments returned American technical students holding university technical degrees.

Work in some departments is continuous day and night.

Without installing further power plant, the present machine tool equipment in the hands of Europeans could double its weekly output. Therefore the munition producing capacity and productive power of the

10 - TAIYUANFU ARSENAL - cont'd.

8. Remarks - cont'd.

excellent plant which the arsenal contains has to be reckoned in terms which take into account the hopeless incapacity and lack of organizing ability of the people who handle it.

Yen himself supervises the giving of contracts and pays frequent visits to the arsenal. With little or no technical knowledge he interferes with important details, delaying essential supplies and affects the efficiency of the arsenal as a whole. All experts agree that the management and workmanship of mechanics is very inferior.

John Magruder
Major, Field Artillery (DOL)

WAR/IAV

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.

APR 21 2331-J-5 1930

17

WAR DEPARTMENT

50

March 15, 1930.

Subject: Data on Chinese Arsenals.

To: The Military Attache, Peiping, China.

1. The enclosed O.N.I. report on Chinese arsenals is referred to you for evaluation and return and any revision of the pages now in the digest which you think is required.

2. It appears from a careful study of section 4410 of the digest in connection with the revision of the economic estimate that practically all of the digest pages concerning arsenals should be brought up to date. It will be noted that with the exception of Wuhden and Hanyang the data on all the arsenals dates back to 1927 and 1928.

For the Acting A. C. of S., G-2.

W. H. SIMPSON,
Major, General Staff,
Executive Officer, G-2.

encls.

MAILED G-2 W.D. MAR 20 1930

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G-2 Report 2410 - ADD

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OFFICE CHIEF OF STAFF
M.I.D. MIL. INV.

APR 10 1930

2331-I-50

16

WAR DEPARTMENT

RECEIVED G/2 W. D. APR 9 1930

CHINA (Economic)

Subject: Mukden Trench Mortar Arsenal.

1. Herewith is quoted an excerpt from Report No. 264, dated October 19, 1929, from the Consul at Mukden. Instead of rewriting 6 - Mukden Trench Mortar Arsenal, this data is being forwarded pending further information, when the type report will be brought up to date.

"According to information received some months ago, the budget of the Trench Mortar Arsenal for the current year provides for a reduction in production as compared with the previous year. The proposed output is as follows:

500 - 8 cm. shells per day
50 - 15 cm. " " "
28 - 8 cm. guns per month
1 - 15 cm. " " "

It has just been learned that no shells have been made for three months as all magazines were full. However, since 100,000 shells were recently sent to the front with the troops, the resumption of production is expected.

"The small gun is a new mounted type, for which pack saddles are being made. This has increased its cost over the former gun carried by men four or five times and it is possible that production is not up to schedule. The management, I am told, has apparently experienced no difficulty in securing funds from the Government.

"This arsenal has been experimenting with the manufacture of small heating plants - boilers and radiators - for residences and offices. In the spring General Chang Hsueh-liang turned over the unexpended part of last year's budget, namely $41,000, for immediate expenses for experimentation. The Municipal Government of Mukden has proposed to install ornamental street lighting in parts of the city and has submitted the drawings for the standards to this Arsenal.

"The pet scheme of the management is the establishment of a plant for assembling a motor truck which will bear its name. At the outset it is proposed to buy all the parts in the United States, but later on to manufacture the simpler ones here. The sum of silver $1,000,000 has been promised by the Government for the inauguration of this industry. To date, only five complete chassis have been imported from the United States for experimental purposes. The scheme does not appear practicable and it is doubtful if it will materialize."

John Magruder
John Magruder
Major, General Staff,
Military Attache

Distribution:
4 MID
1 Tientsin
1 File

From M/A, China Report No. 7677 March 8, 1930

G-2 Report

OFFICE CHIEF OF Replace
MIL. INTEL. DIV.
APR 10 1930
2331-D50
WAR DEPARTMENT
RECEIVED G/2 W. D. APR 9 1930

5 - MUKDEN ARSENAL

1. **Definite Location:**

In an area roughly three by one and one-half miles beginning about two miles southeast of the walled town of Mukden. A motor road runs roughly south of east through the long axis of the rectangular area, on the north of which are located all the armament works and on the south of which are workmen's and officials quarters, clubs, etc. A branch from the Peking-Mukden Railway runs along the north of the plant with ample sidings to all parts of the armament works.

2. **Political Group or Individual Leader Controlling:** Chang Hsueh-liang.

3. **Capacity in:**

a. **Small Arms Ammunition:**

When all new equipment is installed the maximum capacity will be 500,000 rounds per day of the following rifle ammunition: 7.9 mm; 6.5 mm (Japanese); 7.7 mm (Russian). The greatest capacity is 7.9 mm, which it is stated will be the uniform calibre for all Fengtien armies.

The present output of rifle ammunition is over 250,000 rounds per day. No pistol ammunition is manufactured.

b. **Artillery Ammunition:**

Maximum output about 1500 shells per day, which amount includes all of the following calibres: 37 mm (Inf. How.) 75 mm shell and shrapnel; 77 mm shell and shrapnel 105 mm; 150 mm.

A Bohler press has been installed which increases the proportion of steel shells to cast iron. Eventually it is planned to discontinue the manufacture of the latter.

Combination fuzes and percussion fuzes (2 point and 1 base) are manufactured. Compared with our fuzes the finish is rough. Split ring, spring and centrifugal systems all employed. Numerous premature bursts in bore were reported from the front during last year's war. Efforts to imitate B ohler fuzes have not been successful.

c. **Special Ammunition:**

For trench mortar ammunition, see Mukden Trench Mortar Arsenal No. 6.

No gas shells being produced.

Hand grenades of the Mills type are manufactured in the "Shou Chi Kung Ssu", a factory under the control of Chang Hsueh-liang, and located just east of the new trench mortar factory. Exact figures as to the output in grenades are not available. In addition to those of the Mills type, it is reported that grenades with a wooden handle which may be discharged either from a small mortar or thrown by hand are also produced. This grenade is said to be made by Russians from Chang Tsung-chang's forces, and is not in regular production (January, 1928).

Air bombs of about 100 pounds weight filled with H.E. are manufactured; also incendiary bombs of about 16 pounds weight. Quantities unknown.

d. Pistols:

No pistols are manufactured or assembled in Mukden, but it is reported (January, 1928) that a new factory has been built at Chinchow, on the Peking-Mukden line, which can produce, probably by assembling parts purchased abroad, 500 pistols of a Czechoslovakian model per month. The promoter of this factory is stated to be one Max Engel, of Mukden.

e. Rifles:

Whereas three calibres of rifles are being used in the Fengtien Army, ultimately it will be uniformly supplied with the 7.9 mm only. The model adopted is a Japanese modified Mauser (originally the 39th year Meiji-Japanese, 1905), which has in turn been modified in the Mukden Arsenal by General Han Lin-chun. It is a long rifle with short knife bayonet, its only distinctive feature being a dust guard which covers the bolt mechanism when the bolt is thrust home. The finish of the bolt mechanism is very rough as compared with the Springfield. A sight cover is issued with a vent designed to permit cleaning from the muzzle without injury to the rifling. This rifle is also manufactured in carbine length for cavalry.

This one type only, cal. 7.9 mm, is now being manufactured.

The rifle factory is now producing close to 200 rifles per day. Maximum output 250 per day.

f. Machine Guns:

In the fall of 1927 machine guns were being assembled from parts bought in Japan, the work being carried out in the old arsenal, next to the electric light plant outside the east gate. Equipment was purchased from Japan in January, 1928, for the manufacture of machine guns. This plant is now operated as a part of the main arsenal, and it is reported that the gun to be produced is a Hotchkiss model, calibre 6.5 mm. Other reports say it is a Vickers pattern. The production (maximum unknown) should be beginning at this time (March, 1930).

g. Field Guns:

Including the 37 mm Inf. How., five calibres as follows are manufactured: 37 mm; 75 mm combined field and mountain howitzers; 77 mm gun; 105 mm gun; 150 mm How.

The Director stated that maximum capacity including all the above types is about 200 per year. The figures given below roughly agree with this statement.

(1) 37 mm Inf. How. (also used as an anti-tank gun) 4 - 5 per month. This gun fires two types of shell, one armour piercing and the other for use against infantry. Has a small shield and telescopic tripod. Travels on wheels or can be carried by coolies in three loads.

(2) 75 mm combined mountain and field howitzer. This is a Japanese type of very heavy pack howitzer requiring probably six animals, or a light field piece designed for draft by small ponies. Output 2 per month.

(3) 78 mm field gun (is referred to as 8 cm. and sometimes as 77 mm). This gun was purchased in about 1925 from Bohler Bros. & Co., an Austrian firm. This concern had a fairly large quantity

of parts of the gun on hand, remnants of its wartime production, and sold this material, together with the plans for the gun and a lot of plant equipment to the Mukden Arsenal. In a comparatively short time after the new equipment was installed, about 100 B ohler field guns were produced by using the completed parts. Production was then very slow but gradually increased to the rate of 12 guns per month, 15 being the maximum for the plant. Present output 8-9 per month.

The total supply of these guns on hand is given as about 300. This gun is said to be a very good one and far better than the Japanese three inch field piece formerly made at the arsenal.

(4) 105 mm gun. German type with Japanese modifications. Recoil mechanism similar to the 77 mm gun. Capacity about 2 per month. Manufacture suspended.

(5) 150 mm howitzer. German with minor Japanese and local modifications. Sights and recoil mechanism imported. Latter is hydraulic system with spring counter recoil. Eleven have been made in all. Manufacture suspended.

h. Special Weapons:

For 37 mm howitzers, see above. For trench mortars, see Trench Mortar Arsenal No. 6.

4. Power Plant:

All the power for the main arsenal area is supplied from a central plant located in the western end of the area. British equipment of two units of 1000 k.w. each furnish the power. Two units similar to the above, not required but ordered by Yang Yu-ting, are on hand.

5. Machine Equipment:

The arsenal has been expanded from an obsolete Manchu arsenal to its present colossal size containing the latest types of machinery. Prior to about 1919 the only modern feature was a second-hand Japanese plant which proved to be costly and inefficient. Shortly after this the expansion and modernization of the arsenal began in earnest with the installation of a central power plant (British) and the erection of the Danish arsenal by the firm of Nielsen and Winther. Since then the expansion has been rapid. New machinery and modern factory buildings have appeared continuously growing eastward in the area, while the older plants in the west area are abandoned or dismantled.

Machinery can be found from England, America and France, but the greater part consists of Japanese, Danish, German and Austrian, perhaps in quantities in the order named. The newest rifle plant is Austrian, and latest installed machinery is largely Austrian and Japanese. Germans have constructed and equipped a new steel plant, the details of which are not known.

6. Personnel:

The number of workmen is now given as about 17,000. The workmen appear to be well trained and industrious. Schools are run for heads of departments and foremen. Most of the mechanics are from Kiangsu and Chekiang and some from Kwangtung, as the northern Chinese are not experienced with factory work. It is considered a radical departure to employ women in the cartridge plant, where they are found to be efficient

and cheap. There is no suggestion of labor trouble as any indication of agitation would be dealt with summarily. The officials claim to be concerning themselves with modern methods of social welfare. There are hospitals, numerous but as yet insufficient workmen's quarters and a 1 arge club. There are rows of handsome foreign quarters for officials, and a magnificent new club building.

The efficiency of the arsenal has decreased considerably during 1929, due to the long-drawn Yang Yu-ting investigation, failure to stock new materials, and to lack of plans for the future.

No information of the number of foreign employees could be elicited, as the Chinese tend to belittle the necessity of foreign assistance. It is quite certain, however, that the efficient running of the arsenal demands foreigners in the highly technical positions. There are many Japanese advisers and foremen. Next come in order of numbers probably Russians, Germans, French, Swedes and Danes. If the Trench Mortar Plant is a criterion, where there are six foreign advisers to 1000 employees, the main arsenal would employ probably a hundred foreigners at least.

7. Materiel: (Great retrenchment during 1929 in all materials.)

a. Powder and Explosives:

The director gave the impression that practically all powder and explosives are manufactured in the arsenal. From reliable foreign sources, however, I gathered that only the propelling powder for small arms ammunition in sufficient quantities is manufactured.

All detonators and most nitro-cellulose propellents are imported. A nitro-cellulose plant exists southeast of the airdrome. Already at this same place there is a sulphuric acid factory.

About a mile directly east of the main arsenal compound is a nitric acid and T.N.T. plant. It is believed that it is here that shells and air bombs are now loaded. A fraction only of T.N.T. is made which, however, is of excellent quality. Toluene is imported from Norway through A. L. Gran & Co.

A short distance to the northeast of the main arsenal enclosure is a powder plant of some kind.

No figures on output of powder or explosives available.

b. Iron and Steel.

Iron is purchased mainly from the Japanese plant at Penchihu. A modern German electric furnace steel plant has recently been completed with a German expert in charge. It is stated that due to the squeeze obtained through the purchase of steel from abroad, the output of the steel plant has been limited to small quantities.

c. Copper and Brass.

Copper is imported from abroad. The brass is made and cast in a foundry in the main plant.

d. Gas.

There is a so-called gas factory in the old part of the arsenal in which Russian experts were employed. Desultory experiments with gas have been reported since 1925, but with the exception of a few ineffective shells, the contents of which are unknown, used

in the siege of Chochow, no issue of gas shells or gas in other forms is known. The tests of these gas shells, however, were very unsatisfactory, either on account of the quality of the gas or the quantity used. At present gas shells are not being made.

A chlorine gas plant was erected in 1928, but was never operated except for certain tests. The director of this plant, and the only man qualified to operate it, has left Mukden and is not expected to return.

It has been learned from a reliable source that the arsenal has a large supply of German gas helmets on hand.

8. General Remarks:

The arsenal is so large, covering as it does about five square miles of ground, that any detailed description of the plant is not possible. The buildings range from very old metal sheds in the western area to the most modern types of factory structures in the eastern area of the main armament works. Further to the east, and at present isolated, are the latest chemical and powder plants mentioned above. The extensive dwelling settlement lies to the south of the main plant and near to Mukden, like a modern suburb. The main entrance to the armament works is now at the eastern end of the elongated rectangle where also are the administrative buildings.

Much of the impulse in the development of the arsenal has been large-scale squeeze. The constant abandonment of the older parts of the arsenal and the building of new has been the combined result of utter lack of plan and efficiency and desire of additional squeeze. Not only does squeeze result from all new construction and purchase of machinery but from all raw materials entering the plant. It is hardly an exaggeration to state that a modern plant representing one fourth the outlay of the present arsenal would produce an equal output.

According to figures furnished by the Trade Commissioner, from what he believes to be fairly reliable sources, the Mukden arsenal has cost to date a total of $201,000,000, which was spent as follows:

Wages and salaries	9	percent
Machinery	7	"
Buildings.	6	"
Materials.	64	"
Miscellaneous.	14	"

The same source states:

"The Mukden Government wishes to dismantle the present arsenal and gradually turn it over for peace time industrial enterprises. Part of the shops have already been given over for the repair of locomotives and cars. These shops are now cooperating with the North-Eastern Shops of the Mukden Government and the Huangkutun Shops of the Peiping-Mukden Railway. Considerable work can be accomplished in this direction without the expenditure of any great amount of capital. They also wish to incorporate an aeroplane repair shop to take care of aviation requirements. They also have plans for building automotive equipment and for a textile plant. The present plans are to turn over practically the entire arsenal for such economic work and to take care of their arsenal requirements in other ways.

"The M ukden arsenal is to be gradually turned over to peace time work and a new arsenal will be built at Solun, the terminus of the Taonan-Solun railway now under construction. The operations of the new arsenal will be limited in scope as most of the munitions now

being manufactured can be purchased at far lower costs in Europe. There are strategic reasons for building the Solun arsenal as this location is remote from the Japanese owned South Manchuria Railway and also will draw a large population to Solun, on the Mongolian border. The present Mukden arsenal could be destroyed with Japanese planes in short order. Plans have already been received through German sources for the new arsenal. The minimum budget on which the present arsenal can operate and still hold the organization together is about twelve to fourteen million dollars Mex. per annum, which can be used to greater advantage when arrangements are made to put part of the organization on peace time work."

John Magruder
John Magruder
Major, General Staff,
Military Attache

CHIEF OF STAFF
MAY 15 1929
2331-9-50
4410 - Replace
WAR DEPARTMENT

G-2 Report

1 - HANYANG ARSENAL

(Information as of March 7, 1929 - Disregard our No.7445)

RECEIVED G-2 W. D. MAY 14 1929

1. Definite Location.

At Hanyang, about two miles up the Han River from its junction with the Yangtze. It is above and immediately adjoining the Hanyang Iron and Steel Works across the Han River from Hankow. Connected by standard gauge railway with Hanyang Iron and Steel Works and docks on Yangtze River. Direct water transportation on the Han River for junks and small steamers. Traffic on the Han is very congested.

2. Political Group or Individual Leader Controlling.

The Kwangsi militarists at present controlling Wuhan.

3. Capacity in:

a. Small Arms Ammunition.
Maximum capacity estimated between the limits of 85,000 to 170,000 per day. Present output 60,000 per day.

b. Artillery Ammunition.
Maximum capacity about 200 75mm shells per month. At present only 37mm infantry gun ammunition being produced.

c. Special Ammunition.
600 hand grenades per month. Piles (unfilled) were seen but none being manufactured at present.
About 200 8 cm trench mortar bombs manufactured per month.
A few 60 lb. airplane bombs made when manufacture stopped. Reported unsuccessful.

d. Pistols.
20 per day (Mauser type with wooden case). Now making 10 per day.

e. Rifles.
Capacity 150 per day (modified Mauser type, 7.9mm. At present turning out 15 per day. While work lacked finish, the rifles seem to function well and to be reasonably accurate.

f. Machine Guns.
15 per month, Vickers type. Now 3 per month to avoid discharge of expert hands. Many types were seen in the arsenal, including Japanese made Hotchkiss (light and heavy) type captured from Fengtien.

g. Field Guns.
1. 7.5 c.m. Mountain guns, 3 per month. None being made at present.
2. 3.7 c.m. infantry gun with shoulder piece, just begun to manufacture. Three new guns seen. Full capacity unknown. This gun has a small tubular trail and is fixed from a sitting position. Spring recoil. Shield. Transport on wheels or 3 coolie loads. Shafts for mule draft can be fitted.

CHIEF OF STAFF
MILITARY INTELL. DIV.
MAY 15 1929
WAR DEPARTMENT

G-2 Report

7-1
2331-9-50
2331-9-50
4410 - Replace

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(Information as of March 7, 1929 - Disregard our No.7445)

RECEIVED G-2 W. D. MAY 14 1929

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HANYANG ARSENAL - cont'd

3. No anti-aircraft guns made.

4. Manufacture of field guns ceased some time ago.
30 - 7.5 c.m. Japanese type field guns being repaired. Were captured from Fengtien last year.
10 old type Mountain guns, 7.5 c.m. in arsenal for overhaul.

4. Power Plant.

Central power plant which supplies electric light to all buildings as well. This plant is comparatively modern. It was installed in 1919.

5. Machine Equipment:

In the rifle plant practically all of the machinery is of German make (Ludwig Loew, Berlin), and built in about 1903 or 1904. The same kind of machinery prevails in the cartridge making plant, but here there are also some machines supplied by Nielsen and Winther, Copenhagen. All of the machinery in the machine gun plant is of American make, supplied by Pratt & Whitney and Brown & Sharpe. The machinery in the artillery plant is of German, British, and United States manufacture.

6. Personnel, etc.

3,600 men employed. All Chinese. Some trained at Mukden Arsenal. Eight-hour day normally but in emergency increased to twelve hours. The shop discipline seems good, but recently there have been some labor troubles.

7. Materiel.

a. Powder and Explosives: There is a smokeless powder factory, situated three or four miles further up the Han River, capacity unknown.

b. Iron and Steel. All steel used in the plant is imported from Germany or England. Orders are placed with foreign firms in Hankow and delivery is effected there.

c. Copper and Brass. Also imported from England and Germany.

d. Gas. No production or experiments have been reported.

8. General Remarks.

General lay-out congested, judging from western standards.

A small hospital with a foreign trained Chinese in charge seemed well equipped.

Forty students attended school in the arsenal and were simultaneously trained as workers in the various shops. These students were in many cases sons of workers, but others from outside were admitted as vacancies occurred.

HANYANG ARSENAL - cont'd.

Organization seemed efficient but the director recognized the fact that the general lay-out of the whole place could be improved.

The director informed me that no machinery had been removed by Tang Shen-chih though rumors to that effect had been in circulation.

I saw some shell making plant but circumstances prevented me from making a close examination.

During my visit to the Officers' Academy I saw some machine gun practice. No mis-fire was due to faulty ammunition made by the arsenal.

John Magruder,
John Magruder
Major, General Staff
Military Attache

AMERICAN LEGATION

OFFICE OF THE MILITARY ATTACHE,
PEKING, CHINA.

Y.1

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.

2331-D-50
12

February 28, 1929

WAR DEPARTMENT

morris

No. 7455

Subject: Arsenals.

To: A. C. of S., G-2, Washington, D. C.

2331-D-50
11

2331-D-50
10

RECEIVED G-2 W. D. APR 1 1929

1. Reference my Nos. 7440 and 7445, temporary supplements to Mukden Arsenal (5) and Hanyang Arsenal (1), respectively, herewith are similar additions to Kaifeng and Kunghsien arsenals, and some original information regarding the munitions being turned out at the Peking Syndicate Workshops at Chiatso, Honen, by Feng Yu-hsiang.

2. All of this information will be incorporated in rewrites in the regular arsenal forms as the effects of the Disbandment Conference resolutions become known.

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Kaifeng Arsenal (13)

(Information as of February, 1929.)

1. Location with transport facilities.

The arsenal, together with the Mint and Electric Light Works, covers an area of about 10 or 12 acres. It is situated about a mile outside the City Wall and about 150 yards north of the main Lung-Hai Railway line to which it is joined by a single track entering arsenal by West Gate.

2. Capacity.

(a)	S.A.A.	50,000 rounds per day.
(b)	Shell.	Nil.
(c)	T.M. Bombs.	Manufactured - no details.
(d)	Rifles.	150 rifles per month.
(e)	M.G.s.	Definitely made, numbers over a period not known.
(f)	Field Guns.	Repairs, but none made.
(g)	Trench Mortars.	Mortars 4' long, 4" bore mounted on a two-wheeled carriage.

3. Power Plant.

Two steam engines (100 H.P.).
It is known that some recent installation increasing the power plant was made but no deta ils are forthcoming.

4. Machinery.

No details, but see report accompanying Memo: 76, dated 14 September, 1927.

5. Personnel. No foreigners; 2,000 Chinese.

6. Material.

An order for steel of the finest quality was recently given to Poldi, a Czechoslovakian firm. T he value of the order was $ 300,000. Mex. The German firm of Messrs. Siemmsen are said to be the regular agents.

7. Remarks.

Coins are turned out at the Mint. The works are surrounded by a high wall, on the top of which is a walk with breast high protection and sentry posts at intervals of 100 yards.

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Kunghsien Arsenal (11)

(Information as of February, 1929.)

1. Location with transport facilities.

Near Kunghsien on a siding off Lung-Hai Railway.

2. Capacity.

(a)	S.A.A.	50,000 rounds per diem.
(b)	Shell.	None.
(c)	T.M. Bombs.	Being made, no details as to capacity.
(d)	Rifles.	100 per diem.
(e)	Machine Guns.	No evidence confirming impression that machine guns are made.
(f)	Field Guns.	None.

3. **Power Plant.**

American - no further details.
Bomb making plant by Nielson and Winther (Danish firm).

4. **Machinery.**

New American machinery now completely installed.

5. **Personnel.** No foreigners.

6. **Remarks.**

The rifling of the rifles is said to be bad and some of the rifles had been badly bored. There are complaints that the rifles do not shoot well.

A British subject who visited the arsenal some time ago in the hope of obtaining an order for steel, reports "A glorified workshop, capable of turning out mortars, grenades, swords and S.A.A., but not capable of producing artillery or satisfactory rifles".

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Peking Syndicate Workshops at Chiatso (Honan).

(Information as of February, 1929)

The British Military Attache reported in September, 1928, that the Peking Syndicate Shops were still being employed by Feng Yu-hsiang for turning out munitions. He now finds that:

"Recent particulars show that in spite of interviews with Feng the General Manager has been unable to obtain any redress whatever.

"The figures of production for the past four months, to 31st J anuary, 1929, are:

	1928			1929	
	Oct.	Nov.	Dec.	January	TOTAL
Swords	600	700	700	650	2,650
Bombs, mortar (8 lbs.)	2100	-	-	-	2,100
" " (20 ")	-	1000	1000	-	2,000
" " (40 ")	-	-	-	500	500
Hand-grenades	3300	-	1000	-	4,300
Wooden handles (Grenade)	10000	15000	10000	10000	45,000

John Magruder
John Magruder
Major, General Staff, Mil. At.

WAR DEPT. MIL. INTEL. DIV.
MAR 20 1929
2331-D-5
WAR DEPARTMENT

AMERICAN LEGATION

OFFICE OF THE MILITARY ATTACHE,
PEKING, CHINA.

4-1

February 14, 1929

No. 7445

Subject: Hanyang Arsenal.

To: A. C. of S., G-2, Washington, D. C.

RECEIVED G-2 W. D. MAR 18 1929

1. Herewith is a recent report (December 5, 1928) on the Hanyang arsenal which is being forwarded for your information pending possible drastic changes in the arsenal as a result of the Disarmament Conference. After the effects of the latter become evident a complete rewriting will be forwarded in keeping with our system of recording arsenal material.

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Production.

(a) Potential Production. It is well nigh impossible to find the present potential capacity of the arsenal as through want of funds the works have been closed down since May this year. Buckets of lubricating oil were thrown over the machinery, which has been left without further attention except for spasmodic further application of oil. Further, the shell manufacturing part of the plant was taken away by Tang Shen-chi when he left last autumn, and the most experienced artisan sent to Canton. After the closing down there appears no one with definite knowledge as to whether the machinery left is completely workable.

(b) Actual Production. Approximately 100 hands are now employed in the arsenal, the only work being done being the filling of small arm (rifle) ammunition. The arsenal, however, has turned out munitions at a maximum daily rate of:

Pistols	20
Pistol Ammunition	2,000
Rifles	15
Rifle Ammunition,	
by filling machines	5,000
by hand double shifts	2,000
Field Gun Shells	50

1. Small Arms Ammunition. The 100 hands at present employed are turning out an average of 1,500 rounds of rifle ammunition per day. When pressed the figure rises to 2,000.

2. Gun Ammunition. None is now being manufactured as all the machinery for this was taken away by Tang Shen-chi last autumn. He intended to start an arsenal in Hunan, but was not given the opportunity and the machinery is now lying idle somewhere in that province.

3. Hand Grenades.

(a) Not making any now. The produce of the arsenal was most crude, and it was found best to import the shells of Mills bombs and fill then at the arsenal.

(b) 60 lb. bombs. A few were made, but the only use found for them was to lay them as land mines. The manufacture of these has been dropped. This is also the case with 3" trench mortar shells.

(c) The arsenal could turn out a crude aeroplane bomb, but has not seriously attempted anything in this line.

4. Pistols and Rifles. There has been no change in the machinery for the manufacture of these. The average number of pistols turned out per day was 12. These weapons were crudely put together, parts being roughly filed down to fit. They were therefore extremely given to jamb. The type was the Mauser with wooden holster. Rifles. Type: modified Mauser, bore, 7.7 milimetres. 15 turned out a day. No rifles are being manufactured at present on account of there being no money to buy rifle steel. The weapons were roughly put together, bolts being filed down to obtain any kind of fit. The result was that, although nominally the arsenal was supposed to complete 25 per day, at best only 15 could be expected to be able to fire cartridges. It was found that the bolt mechanism and stocks made locally were so rough that a considerable number of these parts were imported from the Shanghai and Chengchow arsenals.

5. Machine Guns. German Vickers. Roughly fitted with parts hand filled to suit. Guns were, therefore, highly unsatisfactory and given very much to jambing. Stated arsenal could only turn out 10 per month which could pass anything like muster. No manufacture of machine guns is being carried out now as the local authorities have sufficient stock on hand from disarmed soldiers.

6. Field Guns. No howitzers were ever manufactured in the arsenal. There was a plant for the manufacture of a 2 lb. (2 inch) small mountain type. Later there was a move to enlarge the plant to manufacture an 18 pounder (3"). However, all machinery pertaining to artillery manufacture was taken away by Tang Shen-chi and the arsenal cannot manufacture anything in this line at present.

7. Arsenal Machinery. The condition of the existing plant is very poor. No new machinery has been installed.

8. Gas. An attempt was made to manufacture poison gas, but a tank burst with fatal results. Since this time no move has been made to manufacture any more. No manufacture of apparatus for projection of, or for defence against gas.

9. Powder Factory. The factory is located on the Hanyang bank of the Han River, exactly opposite the termination of the rails of the Peking-Hankow Railway on the Hankow bank of the river. Melinite is manufactured and varies a good deal in quality. The filling into cases: rifle ammunition in the arsenal and shell ammunition in out-houses at the factory. There is no surplus beyond the requirements of the arsenal.

10. Personnel. 100 hands are now employed at the arsenal. When the plant is working full capacity 1,500 hands are required. Of these 100 are casual laborers. The remaining 1,400 are more or 1 ess expert. The 100 with 200 artisans were discharged last February on account of lack of funds, part of the artisans being transferred to Canton. The remaining 1,100, apart from the 100 still employed, are kept on an employment bureau list and distributed throughout Hankow, receiving a small retaining fee. The arsenal, therefore, could start work at once with 1,200 men. It would be difficult to get the remaining 300 skilled laborers locally for these would have to leave permanent employment.

Hwangpei Group.

11. General. The output of the arsenal is now used wholly by the 4th Group Army but for the present there is a reserve on hand to equip and supply 15,000 men. Feng Yu-hsiang bought several thousand rifles during the early part of the year, but has not been supplied with any products of the arsenal since.

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John Magruder
John Magruder
Major, General Staff
Military Attache

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AMERICAN LEGATION

OFFICE OF THE MILITARY ATTACHE,
PEKING, CHINA.

MILITARY INTELLIGENCE DIVISION
MILITARY
1929
2331-D-50
10
DEPARTMENT

February 18, 1929

No. 7440

Subject: Mukden Arsenal.

To: A. C. of S., G-2, Washington, D. C.

RECEIVED G-2 W. D. MAR 18 1929

2331-D-50
9

1. Herewith is quoted a report from the Consul at Mukden in which he corrects inaccuracies and amplifies some information given in a previous report. The previous information was incorporated in our No. 7417. Instead of again rewriting Mukden Arsenal No. 5, this later data is being forwarded for your information pending possible drastic changes in the operation of the arsenal after which Digest report will be completely brought up to date.

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For some time the Arsenal has been working eleven hours per day instead of nine, the usual working day. The number of employees is slightly above 17,000.

Ammunition. The daily output of rifle ammunition of all three calibres has been during the past three months about 400,000 rounds, a slightly higher figure than was given in my previous report.

The daily production of shells for field pieces is about 1500 per day, of which approximately 800 are steel pressed and the balance cast iron. A new Bohler press has recently been put in operation and the proportion of steel shells is increasing and that of the cast iron ones decreasing, the plan being eventually to discontinue the manufacture of the latter.

Rifles. The new rifle plant was only entirely put into operation since the beginning of the year. The rifle production of the arsenal was kept at 32 per day for several years but is now 50. It is gradually increasing and should reach about 200 per day by the end of the year. It is thought that this rate of production will never be exceeded with the present equipment as the maximum rated capacity of the plant, 250 per day, would be very difficult to attain.

Bohler Field Gun. Bohler Brothers & Company, Ltd., Austrian, steel founders and manufacturers of tool steel, during the war made field guns for the Austrian Army. About four years ago a German named Muller was sent to Europe for the purpose of procuring plans and equipment for the manufacture of a good field gun and it was at that time that relations with Bohler Brothers & Company were initiated. This concern had a fairly large quantity of parts of the gun on hand, remnants of its wartime production, and sold this material, together with the plans for the gun and a lot of plant equipment to the Mukden Arsenal. This gun is ordinarily referred to as 8 cm. while actually it is about 78 mm (it is the 77 mm. gun of your report). In a comparatively short time after the new equipment was installed, about 100 Bohler field guns were produced by using the completed parts. Production was then very slow but has gradually increased to the present rate of 12 guns per month, 15 being the maximum for the plant.

The total supply of these guns on hand is given as about 300 and as far as is known very few, if any, of them were used by the Fengtien armies in their fighting around Peking last year. Some were sent inside the Great Wall but they were shipped back to Mukden with the first lot of military equipment to return last summer. This gun is said to be a very good one and far better than the Japanese three inch field piece formerly made at the arsenal. Besides this field gun, a Japanese type 6 inch gun is still being made but when the new plant for the manufacture of the new 15 cm. gun is in operation the making of this piece will be discontinued. This new plant is nearly completed but the type of gun to be produced has not yet been decided.

Machine Gun. The new machine gun plant with Japanese equipment has just been completed and started operation. It will probably not reach a regular production basis during the year and capacity output, about 50 guns per month, is not likely to be attained for several years.

It is stated that owing to the many operations required to produce guns and rifles a long time must elapse between the commencement of manufacture and the attainment of a regular output, and likewise the increasing of production is a slow process.

Several days after the execution of Yang Yu-t'ing, the local Chinese press contained a statement to the following effect in regard to the expenditures of the large arsenal:

According to information from a certain circle, expenditures for the operation of the arsenal since 1922 when Yang Yu-t'ing took charge have never been reported to any department of the Government

for sanction and have amounted to $203,903,000. These expenses were divided as follows:

1922	Silver$	3,319,175
1923		8,987,402
1924		11,385,198
1925		27,406,384
1926		33,671,217
1927		87,426,500
1928		31,707,624

No confirmation of these figures has been obtained but they seem reasonable in view of the enormous investment in the plant equipment which is said to be in the neighborhood of $100,000,000.

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John Magruder
John Magruder
Major, General Staff
Military Attache

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WAR DEPARTMENT
MIL. INTEL. DIV.
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WAR DEPARTMENT
FEB 19

G-2 Report

5 - MUKDEN ARSENAL

RECEIVED G-2 W. D. FEB 18 1929

1. Definite Location:

In an area roughly three by one and one-half miles beginning about two miles southeast of the walled town of Mukden. A motor road runs roughly south of east through the long axis of the rectangular area, on the north of which are located all the armament works and on the south of which are workmen's and officials quarters, clubs, etc. A branch from the Peking-Mukden Railway runs along the north of the plant with ample sidings to all parts of the armament works.

2. Political Group or Individual Leader Controlling: Chang Hsueh-liang.

3. Capacity in:

a. Small arms ammunition:

When all new equipment is installed the maximum capacity will be 500,000 rounds per day of the following rifle ammunition: 7.9 mm; 6.5 mm (Japanese); 7.7 mm (Russian). The greatest capacity is 7.9 mm, which it is stated will be the uniform calibre for all Fengtien armies.

The present output of rifle ammunition is over 300,000 rounds per day. No pistol ammunition is manufactured.

b. Artillery Ammunition:

Shells for artillery are being produced at the rate of 4,000 per day, which amount includes all of the following calibres: 37 mm (Inf. How.) 75 mm shell and shrapnel; 77 mm shell and shrapnel 105 mm; 150 mm.

Combination fuzes and percussion fuzes (2 point and 1 base) are manufactured. Compared with our fuzes the finish is rough. Split ring, spring and centrifugal systems all employed. Numerous premature bursts in bore were reported from the front during last year's war.

c. Special Ammunition:

For trench mortar ammunition, see Mukden Trench Mortar Arsenal No. 6.

No gas shells being produced at this time, but experiments are in progress.

Hand grenades of the Mills type are manufactured in the "Shou Chi Kung Ssu", a factory under the control of Chang Hsueh-liang, and located just east of the new trench mortar factory. Exact figures as to the output in grenades are not available. In addition to those of the Mills type, it is reported that grenades with a wooden handle which may be discharged either from a small mortar or thrown by hand are also produced. This grenade is said to be made by Russians from Chang Tsung-chang's forces, and is not in regular production (January, 1928).

Air bombs of about 100 pounds weight filled with H.E. are manufactured; also incendiary bombs of about 16 pounds weight. Quantities unknown.

d. Pistols:

No pistols are manufactured or assembled in Mukden, but it is reported (January, 1928) that a new factory has been built at Chinchow, on the Peking-Mukden line, which can produce, probably by assembling parts purchased abroad, 500 pistols of a Czechoslovakian model per month. The promoter of this factory is stated to be one Max Engel, of Mukden.

e. Rifles:

Whereas three calibres of rifles are being used in the Fengtien Army, ultimately it will be uniformly supplied with the 7.9 mm only. The model adopted is a Japanese modified Mauser (originally the 39th year Meiji-Japanese, 1905), which has in turn been modified in the Mukden Arsenal by Gen. Han Lin-chun. It is a long rifle with short knife bayonet, its only distinctive feature being a dust guard which covers the bolt mechanism when bolt is thrust home. The finish of the bolt mechanism is very rough as compared with the Springfield. A sight cover is issued with a vent designed to permit cleaning from the muzzle without injury to the rifling. This rifle is also manufactured in carbine length for cavalry.

This one type only, cal. 7.9 mm, is now being manufactured.

The rifle factory is now producing close to its maximum output of 250 rifles per day.

f. Machine Guns:

In the fall of 1927 machine guns were being assembled from parts bought in Japan, the work being carried out in the old arsenal, next to the electric light plant outside the east gate. Equipment was purchased from Japan in January, 1928, for the manufacture of machine guns. This plant is now operated as a part of the main arsenal, and it is reported that the gun produced is a Hotchkiss model, calibre 6.5 mm. This new factory is now putting out some 70 or 80 machine guns per month and production is on the increase; the maximum is around 100 per month.

g. Field Guns:

Including the 37 mm Inf. How. five calibres as follows are manufactured: 37 mm; 75 mm combined field and mountain howitzers; 77 mm gun; 105 mm gun; 150 mm How.

The Director stated that maximum capacity including all the above types is about 200 per year. The figures given below roughly agree except as to the excessive capacity mentioned for the 37 mm Inf. How.

(1) 37 mm Inf. How (also used as an anti-tank gun) 30 per month. This gun fires two types of shell, one armour piercing, and the other for use against infantry. Has a small shield and telescopic tripod.

Mukden Arsenal - cont'd.

(2) 75 mm combined mountain and field howitzer. This is a Japanese type of very heavy pack howitzer requiring probably six animals, or a light field piece designed for draft by small ponies. The director stated the manufacture of this piece is temporarily discontinued. It is doubted that any have actually been manufactured.

(3) 77 mm field gun. This may be said to be the uniform field piece of the Fengtien Army. It is a post-war A ustrian model, said to be very rapid firing, accurate and light weight. It has sliding breach block, hydraulic recoil mechanism with springs for counter-recoil. All parts said to be manufactured in the arsenal except recoil mechanism and sights. Capacity about 8 per month.

(4) 105 mm gun. German type with Japanese modifications. R ecoil mechanism similar to the 77 mm gun. Capacity about 2 per month.

(5) 150 mm howitzer. German with minor Japanese and local modifications. Sights and recoil mechanism imported. Latter is hydraulic system with spring counter recoil. Maximum capacity 5 per month.

h. Special Weapons:

The arsenal manufactures a Luger type automatic rifle, in carbine length, and apparently for pistol ammunition, calibre 6.5 mm. A new model of this weapon is also being produced (January, 1928) which will fire rifle cartridges of 6.9 mm calibre.

For 37 mm howitzers, see above. For trench mortars, see Trench Mortar Arsenal No. 6.

4. Power Plant:

All the power for the main arsenal area is supplied from a central plant located in the western end of the area. British equipment of two units of 1000 k.w. each furnish the power. New plants being constructed outside main enclosure appear to have their individual power plants.

5. Machine Equipment:

The arsenal has been expanded from an obsolete Manchu arsenal to its present colossal size containing the latest types of machinery. Prior to about 1919 the only modern feature was a second-hand Japanese plant which proved to be costly and inefficient. Shortly after this the expansion and modernization of the arsenal began in earnest with the installation of a central power plant (British) and the erection of the Danish arsenal by the firm of Nielson and Winther. Since then the expansion has been rapid. New machinery and modern factory buildings have appeared continuously growing eastward in the area, while the older plants in the west area are abandoned or dismantled.

Machinery can be found from England, America and France, but the greater part consists of Japanese, Danish, German and Austrian, perhaps in quantities in the order named. The newest rifle plant is Austrian, and latest installed machinery is largely Austrian and Japanese. Germans have constructed and equipped a new steel plant, the details of which are not known.

6. Personnel:

The number of workmen is now given as 12,000 - a Chinese in close touch with the operation of the arsenal gives the number as 16,000. The workmen appear to be well trained and industrious. Schools are run for heads of departments and foremen. Most of the mechanics are from Kiangsu and C hekiang and some from Kwangtung, as the northern Chinese are not experienced with factory work. It is considered a radical departure to employ women in the cartridge plant, where they are found to be efficient and cheap. There is no suggestion of labor trouble as any indication of agitation would be dealt with summarily. The officials claim to be concerning themselves with modern methods of social welfare. There are hospitals, numerous but as yet insufficient workmen's quarters and a large club. There are rows of handsome foreign quarters for officials, and a magnificent new club building.

No information of the number of foreign employees could be elicited, as the Chinese tend to belittle the necessity of foreign assistance. It is quite certain, however, that the efficient running of the arsenal demands foreigners in the highly technical positions. There are many Japanese advisers and foremen. Next come in order of numbers probably Russians, Germans, French, Swedes and Danes. If the Trench Mortar Plant is a criterion, where there are six foreign advisers to 1000 employees, the main arsenal would employ probably a hundred foreigners at least.

7. Materiel:

a. Powder and Explosives.

The director gave the impression that practically all powder and explosives are manufactured in the arsenal. From reliable foreign sources, however, I gathered that only the propelling powder for small arms ammunition in sufficient quantities is manufactured.

All detonators and most nitro-cellulose propellents are imported. A Swedish officer is in Mukden preparing to erect a new nitro-cellulose plant southeast of the airdrome. Already at this same place there is a sulphuric acid factory.

About a mile directly east of the main arsenal compound is a nitric acid and T.N.T. plant. It is believed that it is here that shells and air bombs are now loaded. A fraction only of T.N.T. is made which, however, is of excellent quality. Toluene is imported from Norway through A.L. Gran & Co.

A short distance to the northeast of the main arsenal enclosure is a powder plant of some kind.

b. Iron and Steel.

Iron is purchased mainly from the Japanese plant at Penchihu. A modern German electric furnace steel plant has recently been completed with a German expert in charge. It is stated that due to the squeeze obtained through the purchase of steel from abroad, the output of the steel plant has been limited to small quantities.

c. Copper and Brass.

Copper is imported from abroad. The brass is made and cast in a foundry in the main plant.

d. Gas:

There is a so-called gas factory in the old part of the arsenal in which Russian experts were employed. Desultory experiments with gas have been reported since 1925, but with the exception of a few ineffective shells, the contents of which are unknown, used in the siege of Chochow, no issue of gas shells or gas in other forms is known. The tests of these gas shells, however, were very unsatisfactory, either on account of the quality of the gas or the quantity used. At present gas shells are not being made.

A new factory is being erected for the manufacture of chemicals, particularly caustic soda. This so-called soda factory for the treatment of common salt by electrolytic process should be in operation at the present time (January, 1929). Chlorine gas is also obtained from common salt and its production for military purposes undoubtedly explains the building of this factory.

It has been learned from a reliable source that the arsenal has a large supply of German gas helmets on hand.

8. General Remarks:

The arsenal is so large, covering as it does about five square miles of ground, that any detailed description of the plant is not possible. The buildings range from very old metal sheds in the western area to the most modern types of factory structures in the eastern area of the main armament works. Further to the east, and at present isolated, are the latest chemical and powder plants mentioned above. The extensive dwelling settlement lies to the south of the main plant and near to Mukden, like a modern suburb. The main entrance to the armament works is now at the eastern end of the elongated rectangle where also are the administrative buildings.

Much of the impulse in the development of the arsenal has been large-scale squeeze. The constant abandonment of the older parts of the arsenal and the building of new has been the combined result of utter lack of plan and efficiency and desire of additional squeeze. Not only does squeeze result from all new construction and purchase of machinery but from all raw materials entering the plant. It is hardly an exaggeration to state that a modern plant representing one fourth the outlay of the present arsenal would produce an equal output.

According to reliable information, the extension program of the large arsenal is being carried out as planned and production is now probably on a larger scale than ever before. Night work, it may be added, was stopped last summer. In connection with the expansion of the arsenal, it is interesting to note that the German firms which have supplied the bulk of the material during the past few years have large outstanding credits. For instance, Bohler Brothers, which sold the new equipment for the rifle plant delivered in 1927, has a claim against it for Mex. $1,400,000, and Carlowitz and Co. for $1,100,000. The total indebtedness of the arsenal for material and equipment is said to amount to an enormous sum.

For some time there has been talk of the conversion of at least a part of the large arsenal into factories for the manufacture of industrial equipment but to date no concrete plans have been drawn up, and according to recent information this subject has not been raised for some months. The establishment of plants for making agricultural and some railway equipment, such as passenger and freight cars, etc., has been suggested.

4-1

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2331-D-50

8

WAR DEPARTMENT

4 - KIANGNAN ARSENAL, SHANGHAI

Add to (8) General Remarks.

RECEIVED G-2 W. D. JAN 21 1929

The following table shows the output of the above arsenal during the period March 1st to September 30, 1928.

Arms:	OUT	IN[x]
Field Guns	-	
Mountain Guns	97	9
Machine "	796	17
Stokes Mortars	172	5
Rifles	2,081	18
Bayonets	1,240	850
Pistols	500	300
Ammunition:		
S.A.A., Rifle, rounds	5,612,000	500,000
S.A.A., Machine Gun, rounds	2,719,000	
Shells, Field gun, cases	300	
Shells, Mountain gun, cases	3,630	
Shells, Stokes Mortars, cases	7,430	
Grenades	1,080	
Gunpowder (50 lb.) cases	260	332
Smokeless powder, cases	1,073	100
Nitric Acid	100	
Pistol, rounds	10,000	
Revolver, rounds	5,000	
Equipment:		
Spades	100	
Ammunition wagons (horse drawn)	30	
Boxes of telephone instruments	5	
Cotton padded uniform, suits (worn out)		1,000
Refined oil, pounds	1,800	
Cloth for cleaning guns (lengths)	140	

N.B.[x] . In for repairs; gunpowder for refilling cases.

From M/A, China Report No. 7393 December 18, 1928

4410 - Replace
MIL. INTEL. DIV.
2331-D-56
WAR DEPARTMENT

6 - MUKDEN TRENCH MORTAR ARSENAL

RECEIVED G/2 W. D. JUN 12 1928

1. **Definite Location:**

Situated about 600 yards northwest of the Peking-Mukden Railway terminus station, New Town, Mukden.

2. **Political Group or Individual Leader Controlling:** Chang Tso-lin.

3. a.
   b.
   c. **Special Ammunition:**

Trench mortar ammunition only is manufactured. Both 3 1/4" and 6" projectiles are manufactured and normally filled with T.N.T. Output per day of ten hours, 1000 3 1/4" and 100 6" shells. These shells are now known as 8 cm. and 15 cm. respectively.

The process of filling 6" shells with phosphorous has recently been perfected. I saw successful tests fired with both T.N.T. and phosphorous. 6" phosphorous shells are loaded with 10 pounds of phosphorous. Their manufacture was suspended after 3000 were produced. Only 600 have been issued to troops, the remainder being stored in Mukden.

The projectiles are made of cast-iron, with bourrelet and boat tail, with vanes attached to tail. They do not tumble in flight. Ordinary shot-gun shells are used for primer and igniting charge; as propellent, ballistite is used for the 3 1/4" and nitrocellulose mixed with ballistite for the 6" shells. For complete description of trench mortar projectile see G-2 Report No. 5389.

   d.
   e.
   f.
   g.
   h. **Special Weapons:**

Trench mortars only. Maximum capacity: 20 6" mortars (15 cm) and 100 3 1/4" (actual size 3.250) per month. These mortars are completed from steel tubes purchased commercially and are designed for very long ranges. The range tables give maximum range for the 3 1/4" mortar as 3400 meters; 6" 2700 meters.

Foreign advisers told me that the 3 1/4" mortar had been fired at 5000 meters with supercharge. Due to the design of the projectiles and the finish of the mortars, the dispersion has been greatly diminished. They have been developed, in fact, to the point where they may be considered easily transportable howitzers.

A very unique one-mule cart to transport the 6" mortar has just been developed and its manufacture has been started in this arsenal. The tube is on a cradle which rotates the tube onto

6 - MUKDEN TRENCH MORTAR ARSENAL - cont'd.

the base plate, when placing it is action. Fire instruments and accessories are carried in boxes on the cart. A one-mule limber carrying 10 rounds is also being manufactured.

A very light mounting for 3 1/4" mortar has been developed. It is so arranged that the mortar can be promptly detached and put on the ordinary leg supports. The axles of the 3 1/4" gun mounting has a 6" extension on both sides so that the wheel gauge can be adjusted to different roads.

4. Power Plant:

The power is distributed from motors which receive current from the city power plant.

5. Machine Equipment:

Largely of German manufacture. Some 68 lathes for making projectiles and 20 lathes for turning mortars were moved from the former site at the North Camp, and 220 lathes, largely German, were bought in England for the new factory, as well as a considerable number of other machines such as shapers, milling presses, planers, spot welders, etc.; this equipment being roughly one-half English and one-half German. The moulding of projectiles is performed by German hand power moulding machines, a sufficient number being installed for the full capacity of the factory. The projectiles are accurately made and hydraulically tested for sand cracks. Electric welding is employed for attaching vanes to base of projectiles and filling holes in faulty projectile surfaces.

6. Personnel:

The workmen appear to be efficient and energetic, due to the system of piece work employed. There are about 1000 artisans employed among whom are some Russian foremen. The office staff, all branches, numbers 170. All employees are paid in solver. Six foreign experts supervise the important technical operation. The most valued expert is an American.

7. Materiel:

a. Powder and Explosives:

T.N.T. and ballistite are imported from Norway. Percussion caps and nitrocellulose from Japan, detonators from Antung (Japanese factory) and empty shot-gun cartridges, primed, from Ely & Nobel. Phosphorous of French origin was originally imported for match factories.

b. Iron and Steel:

Pig iron is bought from the Sino-Japanese plant at Penshihu. One year's supply of steel, which is now about finished, was bought from Germany, and three months' supply from Korea. Steel

6 - MUKDEN TRENCH MORTAR ARSENAL - cont'd.

tubes for making the mortar barrels were formerly received from Shanghai manufactured by the Shanghai Mills, Ltd. from England, and from Befors (Swedish or Norwegian). Now, however, all steel tubes are made by Krupp.

c.
d.

8. General Remarks:

The construction of the present plant was started in July, 1926, by the notorious "General" Sutton. He, however, lost favor with Chang Tso-lin and the arsenal has recently been completed under the nominal direction of General Li. Various non-essential features of the plant are still under construction. Plans are now being made for five new buildings which when completed and equipped will more than double its present capacity. The plant occupies a walled-in area of about 400 yards by 500 yards and consists of very modern factory and administrative buildings. The old establishment at North Camp is still retained as a loading plant. From here the completed projectiles are sent for storage to newly constructed underground dumps, situated on the South Manchurian railway near North Camp.

A reliable report states (January, 1928) that a new small Stokes mortar is being made by Boixo Freres, Mukden. It is said to have a range of 2000 meters, but is not as accurate as the weapons made in the Mukden Trench Mortar Arsenal. The new mortar is reported to have been ordered for Chang Hsueh-liang and Wu Chun-sheng (Tupan of Heilungkiang).

Trench Mortars.

Mukden made first a 3 1/4" gun with a 4' 4" barrel. These were variously called:

3 1/4"	Rapid Fire Gun
82.5 mm	Infantry Gun and
3"	Trench Mortar

Slightly over 300 were made.

3 1/4" Trench Mortar, Mark II - Light, superseded it. The bore, as before, was actually 3.250". The barrel was shortened to 3' 7" in length, made 1/8" thinner, and the material changed from steel shafting to nickel-chrome steel. About 1200 of these have been made. The name of the calibre was recently changed to 8 cm. The 6" mortar went through parallel development, except that the barrel was not shortened. It is often called the "heavy trench mortar". About 35 of the "old pattern" and 50 of the "new pattern" were made - Mukden thus has:

(1)	Old	pattern,	8	cm.	trench	mortars	(3.250")
(2)	New	"	"	"	"	"	"
(3)	Old	"	15	"	"	"	(6.000")
(4)	New	"	"	"	"	"	"

6 - MUKDEN TRENCH MORTAR ARSENAL - cont'd.

RECEIVED G/2 W. D. JUN 11 1928

Trench mortars are called "P'ai Chi P'ao" but this name includes a range of sizes and types from the tiny guns (about 4 cm calibre), made by Boixo Freres in Mukden, to the "Bombardo" or Italian "Minen-werfer", made in Milan, several of which with their projectiles about 9" in diameter and about 200 pounds weight are stored in Mukden and never used.

The estimated number of mortars in use by the Fengtien Army is -

8 cm	1100 pieces
15 "	65 "

Factory stores - April 19, 1928.

8 cm shells	53.1 per gun in use
15 " "	201.3 " " " "

Manufacturing rate, monthly.

8 cm shells	21.8 per gun in use
15 " "	36.9 " " " "

OFFICE OF THE ADJUTANT GENERAL
FILE SECTION

1929 2331-I-50

3-3

WAR DEPARTMENT

FROM 2nd Ind. JM

Office of the Military Attache, American Legation, Peking, China, December 29, 1928 - To: A. G. of S., G-2, Washington, D.C.

RECEIVED G/2 W. D FEB 5 - 1929

1. The following is quoted as the only information available after numerous inquiries regarding the above subject:

"The information regarding the 'Machine Rifle', as the small arm mentioned in the inquiry from Peking is called by the only man who could describe it, is very meagre. Numerous inquiries have brought no results, nor has the writer been able to examine one.

"On one occasion when driving by a division H.Q. in Mukden, the writer had his attention called to a sentry armed with the type in question, but has been unable to catch sight of one since.

"A Chinese engineer who had worked near the shop where they were made, while discussing the various arms made or assembled by the arsenal, mentioned the price, and when pressed for details made a rough sketch supposed to be full size. He was given a sheet of scratch paper and executed the attached sketch to illustrate his remarks. He stated that the barrel was surrounded by a tube which was perforated to assist in cooling. Also that the distance from the magazine to the muzzle was the same as to the cap which held in the helical spring. He added that the gun was held by the magazine when firing, and the breakage of that part was high. He repeated the information that the piece was originally made in '7.63' caliber, but that it was now made in '65' caliber.

"It was impossible to get anything more enlightening from him, or to obtain any statistics as to the manufacture of this arm."

Copy to F. E. Sect.

John Magruder
Major, General Staff
Military Attache

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2331-I-50 3rd Ind. RCF/bap

G-2, W.D., February 7, 1929 - To: Executive Officer, Office of the Chief of Ordnance.

Encls. no change.

MAILED G/2 W. D. FEB 8 1929

MIL. INTEL.
MAY 28 1928
2331-I-1
1928
WAR DEPARTMENT
O. O. WAR DEPT.
MAY 26 1928

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China

May 24, 1928.

MEMORANDUM for the Assistant Chief of Staff, G-2.

Subject : Luger type automatic rifle.

1. Reference is made to Report dated March 27, 1928 from the Military Attache, China concerning the Mukden Arsenal which manufactures a Luger type automatic rifle, in carbine length, apparently for pistol ammunition, calibre 6.5mm. It is also stated that a new model produced in January 1928 fires rifle cartridges of 6.9mm calibre.

2. This office is very much interested in obtaining further information concerning this weapon, and it would be appreciated if such request were transmitted to the Military Attache, China.

For the Chief of Ordnance:

W. H. TSCHAPPAT
Colonel, Ord. Dept.
Assistant

2331-I-50
G-2, W.D., May 28, 1928 - To: 1st Ind. Military Attache, Peking, China. RHW/bap

MAILED G/2 W. D. JUN 4 1928

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OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
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WAR DEPARTMENT

4-1

5 - MUKDEN ARSENAL

RECEIVED G/2 W. D. APR 30 1928

1. **Definite Location:**

In an area roughly three by one and one-half miles beginning about two miles southeast of the walled town of Mukden. A motor road runs roughly south of east through the long axis of the rectangular area, on the north of which are located all the armament works and on the south of which are workmen's and officials quarters, clubs, etc. A branch from the Peking-Mukden Railway runs along the north of the plant with ample sidings to all parts of the armament works.

2. **Political Group or Individual Leader Controlling.**

Chang Tso-lin.

3. **Capacity in:**

a. **Small arms ammunition:**

Maximum capacity 400,000 per day of following calibres rifle ammunition: 7.9 mm; 6.5 mm (Japanese); 7.7 mm (Russian); greatest capacity is 7.9 mm, which it is stated ultimately will be the uniform calibre for all Feugtien armies.

No pistol ammunition is manufactured.

b. **Artillery ammunition:**

Maximum capacity about 1200 to 1300 per day, which amount includes all the following calibres: 37 mm (Inf.How.); 75 mm shell and shrapnel; 77 mm shell and shrapnel; 105mm; 150 mm.

Combination fuzes and percussion fuzes (2 point and 1 base) are manufactured. Compared with our fuzes the finish is rough. Split ring, spring and centrifugal systems all employed. Recently numerous premature bursts in bore reported from front.

c. **Special ammunition:**

For trench mortar ammunition, see Mukden Trench Mortar Arsenal No. 6.

No gas shells being produced at this time, but experiments are in progress.

Hand grenades of the Mills type are manufactured in the "Shou Chi Kung Ssu" a factory under the control of Chang Hsueh-liang, and located just east of the new trench mortar factory. Exact figures as to the output in grenades are not available. In addition to those of the Mills type, it is reported that grenades with a wooden handle which may be discharged either from a small mortar or thrown by hand are also produced. This grenade is said to be made by Russians from Chang Tsung-chang's forces, and is not in regular production (January, 1928).

Air bombs of about 100 pounds weight filled with H.E. are manufactured; also incendiary bombs of about 16 pounds weight. Quantities unknown.

From M/A, China — March 27, 1928

Mukden Arsenal - cont'd.

d. Pistols:

No pistols are manufactured or assembled in Mukden, but it is reported (January, 1928) that a new factory has been built at Chinchow, on the Peking-Mukden line, which can produce, probably by assembling parts purchased abroad, 500 pistols of a Czecho-slovakian model per month. This promotor of this factory is stated to be one Max Engel, of Mukden.

e. Rifles:

Whereas three calibres of rifles are being used in the Fengtien Army, ultimately it will be uniformly supplied with the 7.9 mm only. The model adopted is a Japanese modified Mauser (originally the 38th year Meiji- Japanese, 1905), which has in turn been modified in the Mukden Arsenal by Gen. Han Lin-chun. It is a long rifle with short knife bayonet, its only distinctive feature being a dust guard which covers the bolt mechanism when belt is thrust home. The finish of the belt mechanism is very rough as compared with the Springfield. A sight cover is issued with a vent designed to permit cleaning from the muzzle without injury to the rifling. This rifle is also manufactured in carbine length for cavalry.

This one type only, cal. 7.9 mm, is now being manufactured. The present maximum capacity of the old factory is 40 rifles per day. A very modern new plant with Austrian machinery has been erected and machinery installed which has a maximum capacity of 150 rifles per day. It was stated that the new plant should be in operation within a month (i.e. by December, 1927), after which 190 rifles per day can be turned out.

f. Machine Guns:

In the fall of 1927 machine guns were being assembled from parts bought in Japan, the work being carried out in the old arsenal, next to the electric light plant outside the east gate. Equipment has now been purchased (January, 1928) from Japan for the manufacture of machine guns. This plant is to be operated as a part of the main arsenal, and it is reported that the gun produced will be a Hotchkiss model, calibre 6.5 mm. Data relative to output unknown.

There are in stock in Mukden a number of old Maxim machine guns which are supposed to have been made in the Hanyang arsenal.

g. Field Guns:

Including the 37 mm Inf. How., five calibres as follows are manufactured: 37 mm; 75 mm combined field and mountain howitzers; 77 mm gun; 105 mm gun; 150 mm How.

Director stated that maximum capacity including all of above types is about 200 per year. The figures given below roughly agree except as to the excessive capacity mentioned for the 37mm Inf. How.

(1) 37 mm Inf. How (also used as an anti-tank gun) 30 per month. This gun fires two types of shell, one armor piercing, and the other for use against infantry. Has a small shield and telescopic tripod.

Mukden Arsenal - cont'd.

(2) 75 mm combined mountain and field howitzer. This is a Japanese type of very heavy pack howitzer requriing probably six animals, or a light field piece designed for draft by small ponies. The director stated the manufacture of this piece is temporarily discontinued. It is doubted that any have actually been manufactured.

(3) 77 mm field gun. This may be said to be the uniform field piece of the Fengtien Army. It is a post-war Austrian model, said to be very rapid firing, accurate and light weight. It has sliding breach block, hydraulic recoil mechanism with springs for counter-recoil. All parts said to be manufactured in the arsenal except recoil mechanism and sights.
Capacity about 8 per month.

(4) 105 mm gun. German type with Japanese modifications. Recoil mechanism similar to the 77 mm gun.
Capacity about 2 per month.

(5) 150 mm howitzer. German with minor Japanese and local modifications. Sights and recoil mechanism imported. Latter is hydraulic system with spring counter recoil.
Maximum capacity 5 per month.

h. Special weapons:

The arsenal manufactures a Luger type automatic rifle, in carbine length, and apparently for pistol ammunition, calibre 6.5 mm. A new model of this weapon is also being produced (January, 1928) which will fire rifle cartridges of 6.9 mm calibre.

For 37 mm howitzers, see above. For trench mortars, see Trench Mortar Arsenal No. 6.

4. Power Plant:

All the power for the main arsenal area is supplied from a central plant located in the western end of the area. British equipment of two units of 1000 k.w. each furnish the power. New plants being constructed outside main enclosure appear to have their individual power plants.

5. Machine Equipment:

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Mukden Arsenal - cont'd.

Machinery can be found from England, America and France, but the greater part consists of Japanese, Danish, German and Austrian, perhaps in quantities in the order named. The newest rifle plant is Austrian, and latest installed machinery is largely Austrian and Japanese. Germans have constructed and equipped a new steel plant, the details of which are not known.

6. Personnel:

Almost 20,000 employees. The workmen appear to be well trained and industrious. Schools are run for heads of departments and foremen. Most of the mechanics are from Kiangsu and Chekiang and some from Kwangtung, as the northern Chinese are not experienced with factory work. It is considered a radical departure to employ women in the cartridge plant, where they are found to be efficient and cheap. There is no suggestion of labor trouble as any indication of agitation would be dealt with summarily. The officials claim to be concerning themselves with modern methods of social welfare. There are hospitals, numerous but as yet insufficient, workmen's quarters and a large club. There are rows of handsome foreign quarters for officials, and a magnificent new club building.

No information of the number of foreign employees could be elicited, as the Chinese tend to belittle the necessity of foreign assistance. It is quite certain, however, that the efficient running of the arsenal demands foreigners in the highly technical positions. There are many Japanese advisers and foremen. Next come in order of numbers probably Russians, Germans, French, Swedes and Danes. If the Trench Mortar Plant is a criterion, where there are six foreign advisers to 1000 employes, the main arsenal would employ probably a hundred foreigners at least.

7. Materiel:

a. Powder and Explosives.

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All detonators and most nitro-cellulose propellents are imported. A Swedish officer is in Mukden preparing to erect a new nitro-cellulose plant southeast of the airdrome. Already at this same place is a sulphuric acid factory.

About a mile directly east of the main arsenal compound is a nitric acid and T.N.T. plant. It is believed that it is here that shells and air bombs are now loaded. A fraction only of T.N.T. is made, which, however, is of excellent quality. Toluene is imported from Norway through A. L. Gran & Co.

A short distance to the northeast of the main arsenal enclosure is a powder plant of some kind.

b. Iron and Steel.

Iron is purchased mainly from the Japanese plant at Penchihu. A modern German electric furnace steel plant has recently been completed with a German expert in charge. It is stated that due to the squeeze obtained through the purchase of steel from abroad, the output of the steel plant has been limited to small quantities.

c. Copper and Brass.

Copper is all imported from abroad. The brass is made and cast in a foundry in the main plant.

d. Gas:

There is a so-called gas factory in the old part of the arsenal in which Russian experts were employed. Desultory experiments with gas have been reported since 1925, but with the exception of a few ineffective shells, the contents of which are unknown, used in the siege of Chochow, no issue of gas shells or gas in other forms is known. The tests of these gas shells, however, were very unsatisfactory, either on account of the quality of the gas or the quantity used. At present gas shells are not being made.

A new factory is being erected for the manufacture of chemicals, particularly caustic soda. This so-called soda factory for the treatment of common salt by electrolytic process should be ready to begin operations about April 15, 1928. Chlorine gas is also obtained from common salt and its production for military purposes undoubtedly explains the building of this factory.

It has been learned from a reliable source that the arsenal has a large supply of German gas helmets on hand.

8. General Remarks:

The arsenal is so large, covering as it does about five square miles of ground, that any detailed description of the plant is not possible. The buildings range from very old metal sheds in the western area to the most modern types of factory structures in the eastern area of the main armament works. Further to the east, and at present isolated, are the latest chemical and powder plants mentioned above. The extensive dwelling settlement lies to the south of the main plant and near to Mukden, like a modern suburb. The main entrance to the armament works is now at the eastern end of the elongated rectangle where also are the administrative buildings.

Much of the impulse in the development of the arsenal has been large-scale squeeze. The constant abandonment of the older parts of the arsenal and the building of new has been the combined result of utter lack of plan and efficiency and desire of additional squeeze. Not only does squeeze result from all new construction and purchase of machinery but from all raw materials entering the plant. It is hardly an exaggeration to state that a modern plant representing one fourth the outlay of the present arsenal would produce an equal output.

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
APR 3
1928
2331-9-5
4410 - Replace
WAR DEPARTMENT

4-1

G-2 Report

1 - HANYANG ARSENAL

RECEIVED G/2 W. D. APR 2 1928

1. Definite Location.

At Hanyang, about two miles up the Han River from its junction with the Yangtze. It is above and immediately adjoining the Hanyang Iron and Steel Works across the Han River from Hankow. Connected by standard gauge railway with Hanyang Iron and Steel Works and docks on Yangtze River. Direct water transportation on the Han River for junks and small steamers. Traffic on the Han is very congested.

2. Political Group or Individual Leader Controlling.

The Kwangsi militarists at present controlling Wuhan.

3. Capacity in:

a. Small Arms Ammunition.

85,000 cartridges per day (type and classes not stated.)

b. Artillery Ammunition. Actual production about 90 shells per month, for guns listed under (g) below. Estimated potential output not over 200 per month, with other parts of arsenal all in full operation.

c. Special Ammunition. 600 hand grenades per month (type unknown). 60 pound air bombs and trench mortar ammunition are also manufactured in quantities unknown.

d. Pistols. 20 per day, German Luger type.

e. Rifles. Director claimed production of 200 per day (believed to be modified Mauser type). Actual production probably not over 160 per day. Although the machining of the bolt mechanism is rough in comparison with our arms, these rifles in general appear to be good, sturdy, well balanced products, reasonably accurate. Each rifle is tested for accuracy before leaving the arsenal.

f. Machine Guns. Maximum of 20 per month. Those seen were of two types, one made with a light and one with a heavy tripod. The smaller has a pistol grip, and the larger two hand grips on the rear of the chamber. The guns are believed to be Maxim or Vickers model. One of the guns under test appeared to have an abnormally slow rate of fire, and to be subject to frequent stoppages.

g. Field Guns. 2 (believed to be 2.95 Krupp) per month. 2 howitzers (calibre estimated about 4 inch) per month.

h. Special Weapons. 10 3 inch trench mortars per month. The naval officer who visited the arsenal reported seeing in the artillery plant a completed coast defence turret, housing a 4 inch naval rifle. No information obtainable concerning this piece of ordnance.

From M/A, China Report No. 7217 February 20, 1928

4. Power Plant:

Power is supplied by a central plant, but in addition many of the shops are equipped with steam engines, the majority of which are not in use.

5. Machine Equipment:

In the rifle plant practically all of the machinery is of German make (Ludwig Loew, Berlin), and built in about 1903 or 1904. The same kind of machinery prevails in the cartridge making plant, but here there are also some machines supplied by Nielsen and Winther, Copenhagen. All of the machinery in the machine gun plant is of American make, supplied by Pratt & Whitney and Brown & Sharpe. The machinery in the artillery plant is of German, British, and United States manufacture.

6. Personnel, etc.

The director, Mr. Teng Yen-chen, stated that there were 3,500 men employed, with a monthly pay-roll of $150,000 Mex. This personnel is entirely Chinese, and none of the officials or supervisors are foreign trained. The normal working day is eight hours. The spirit of the men is apparently good. All are well clad in blue overalls, and pay close attention to their work. The majority of the employees are not quartered within the arsenal proper, but live nearby. It is reported that the arsenal has never been closed down on account of a strike.

7. Material:

a. Powder and explosives: There is a smokeless powder factory, situated three or four miles further up the Han River, capacity unknown.

b. Iron and Steel. All steel used in the plant is imported from Germany or England. Orders are placed with foreign firms in Hankow and delivery is effected there.

c. Copper and Brass. Also imported from England and Germany.

d. Gas. No production or experiments have been reported.

8. General Remarks:

Judged by western standards, the arsenal appears old and crowded, badly organized, and lacking in foreign ideas of direction. In all of the shops the lighting is noticeably poor; the machines are placed too close together, are dirty, and in numerous instances out of commission.

The foregoing information was obtained from reports submitted by Mr. R. P. Butrick, American Consul, and Lieut. Commander H. Harlow, U.S. Navy, on their visit to the arsenal October 8, 1927.

David D. Barrett
David D. Barrett
Captain, Infantry
Assistant Military Attache

JM:elh

1st Ind.

Office of the Military Attache, American Legation, Peking, China, February 21, 1928 - To: A. C. of S., G-2, Washington, D.C.

Forwarded, concurred in.

John Magruder,
John Magruder
Major, General Staff
Military Attache

4-1

2 Encs

AMERICAN LEGATION
OFFICE OF THE MILITARY ATTACHE.
PEKING, CHINA.

December 7, 1927

2331-9-J

3

WAR DEPARTMENT

#7169

2331-9-50

1

Subject: Arsenal Reports.

To: A. C. of S., G-2, Washington, D. C.

RECEIVED G/2 W. D. JAN 12 1928

1. Reference my No. 7082, herewith are replace reports for Mukden Arsenal (5) and Mukden Trench Mortar Arsenal (6).

John Magruder
John Magruder
Major, General Staff
Military Attache

2 encls.
elh

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4410 - Replace 2331-I-J-8

3

MILITARY INTELLIGENCE DIVISION
WAR DEPARTMENT
1928

6 - MUKDEN TRENCH MORTAR ARSENAL

(Information as of November, 1927)

1. **Definite Location:**

Situated about 600 yards northwest of the Peking-Mukden Railway terminus station, New Town, Mukden.

2. **Political Group or Individual Leader Controlling:**

Chang Tso-lin.

3. a.
b.
c. **Special Ammunition:**

Trench mortar ammunition only is manufactured. Both 3" and 6" projectiles are manufactured and normally filled with T.N.T. The process of filling with phosphorous has just been perfected. I saw successful tests fired with both T.N.T. and phosphorous. The latter have not yet been issued to troops.

The projectiles are made of cast-iron, with bourrelet and boattail, with vanes attached to tail. They do not tumble in flight. Ordinary shot gun shells are used for primer and igniting charge; ballistite in bags as propelling charge.

Maximum capacity of 24 hour day, 3,000 3" shells. No figures on 6" shells.

For complete description of the trench mortar projectile see G-2 Report No. 5389.

d.
e.
f.
g.
h. **Special Weapons:**

Trench mortars only. Maximum capacity: 20 6" mortars and 100 3" mortars per month. These mortars are completed from steel tubes purchased commercially and are designed for very long ranges. I saw the range tables which gave maximum range for the 3" mortar as 3400 meters; 6" 2700 meters. Foreign advisors told me the 3" mortar had been fired at 5000 meters with supercharge. Due to the design of the projectiles and the finish of the mortars the dispersion has been greatly diminished. They have been developed, in fact, to the point where they may be considered as easily transportable howitzers.

A very unique one-mule cart to transport the 6" mortar has just been developed and its manufacture has been started in this arsenal. The tube is on a cradle which rotates the tube onto the base plate when placing it in action. Fire instruments and accessories are carried in boxes on the cart. A one-mule limber carrying 10 rounds is also being manufactured.

4. Power Plant:

The power is distributed from numerous motors which receive current from the city power plant.

5. Machine Equipment:

Largely of German manufacture. Some 68 lathes for making projectiles and 20 lathes for turning mortars were moved from the former arsenal site at the North Camp, and some new ones probably were added. The moulding of projectiles is done by hand tamping but several Japanese machine tampers had just been installed. The projectiles are accurately made and hydraulically tested for sand cracks. Electric welding is employed for attaching vanes to base of projectiles and filling holes in faulty projectile surfaces.

6. Personnel:

The workmen appear to be very efficient and energetic, due to the system of piece work employed. There are about 1000 employees among whom are some Russian foremen. Six foreign experts supervise the important technical operations. The most valued expert is an American.

7. Material:

a. Powder & Explosives:

Percussion caps and T.N.T. imported from Japan, and ballistite from Norway. Phosphorous also imported.

b. Iron and Steel:

Pig iron from Japanese plant at Penshihu. Steel tubes for making the mortar barrels are received from Shanghai. Some are imported from England and some are manufactured at the Shanghai Mills, Ltd.

c.
d.

8. General Remarks:

The construction of the present plant was started in July, 1926, by the notorious "General" Sutton. He, however, lost favor with Chang Tso-lin and the arsenal has recently been completed under the nominal direction of General Li. Various non-essential features of the plant are still under construction. It occupies a walled-in area about 400 yards by 500 yards and consists of very modern factory and administrative buildings. The old establishment at North Camp is still retained as a loading plant. From here the completed projectiles are sent for storage to newly constructed underground dumps situated on the South Manchurian Railway near North Camp.

4-1

4410 - Replace 2331-D-J

WAR DEPARTMENT

5 - MUKDEN ARSENAL

(Information as of November, 1927.)

1. Definite Location:

In an area roughly three by one and one-half miles beginning about two miles southeast of the walled town of Mukden. A motor road runs roughly south of east through the long axis of the rectangular area, on the north of which are located all the armament works and on the south of which are workmen's and officials quarters, clubs, etc. A branch from the South Manchurian Railway runs along the north of the plant with ample sidings to all parts of the armament works.

2. Political Group or Individual Leader Controlling.

Chang Tso-lin.

3. Capacity in:

a. Small arms ammunition:

Maximum capacity 400,000 per day of following calibres rifle ammunition: 7.9 mm; 6.5 mm (Japanese); 7.7 mm (Russian); greatest capacity is 7.9 mm which it is stated ultimately will be the uniform calibre for all Fengtien armies.

No pistol ammunition is manufactured.

b. Artillery ammunition:

Maximum capacity about 1200 to 1300 per day, which amount includes all of following calibres: 37 mm (Inf. How.); 75 mm shell and shrapnel; 77 mm shell and shrapnel; 105 mm; 150 mm.

Combination fuzes and percussion fuzes (2 point and 1 base) are manufactured. Compared with our fuzes the finish is rough. Split ring, spring and centrifugal systems all employed. Recently numerous premature bursts in bore reported from front.

c. Special ammunition:

For trench mortar ammunition, see Mukden Trench Mortar Arsenal No. 6.

No gas shells being produced at this time, but experiments are in progress.

Hand grenades of Mills type being produced in considerable quantities.

Air bombs of about 100 pounds weight filled with H.E. are manufactured; also incendiary bombs of about 16 pounds weight. Quantities unknown.

d. Pistols:

None manufactured.

e. **Rifles:**

Whereas three calibres of rifles are being used in the Feng-tien Army, ultimately it will be uniformly supplied with the 7.9 mm only. The model adopted is a Japanese modified Mauser, which has in turn been modified in the Mukden Arsenal by Gen. Han Lin-chun. It is a long rifle with short knife bayonet, its only distinctive feature being a dust guard which covers the bolt mechanism when bolt is thrust home. The finish of the bolt mechanism is very rough as compared with the Springfield. A sight cover is issued with a vent designed to permit cleaning from the muzzle without injury to the rifling.

This one type only, cal. 7.9 mm, is now being manufactured. The present maximum capacity of the old factory is 40 rifles per day. A very modern new plant with Austrian machinery has been erected and machinery installed which has a maximum capacity of 150 rifles per day. It was stated that the new plant should be in operation within a month (i.e. by December, 1927), after which 190 rifles per day can be turned out.

f. **Machine guns:**

Information contradicting. Resident director of arsenal stated no machine guns being manufactured in main arsenal or elsewhere, but that a plant is being completed shortly which will turn out about 6 Japanese type Maxim guns per day. Reliable foreign employee stated he believed machine guns are now being produced either in main arsenal or in an auxiliary plant in the city of Mukden.

g. **Field guns:**

Including the 37 mm Inf. How., five calibres as follows are manufactured: 37mm; 75 mm combined field and mountain howitzer; 77 mm gun; 105 mm gun; 150 mm How.

Director stated that maximum capacity including all of above types is about 200 per year. The figures given below roughly agree except as to the excessive capacity mentioned for the 37 mm Inf. How.

(1) 37 mm Inf. How. (also used as an anti-tank gun) 30 per month. This gun fires two types of shell, one armor piercing, and the other for use against infantry. Has a small shield and telescopic tripod.

(2) 75 mm combined mountain and field howitzer. This is a Japanese type of very heavy pack howitzer requiring probably six animals, or a light field piece designed for draft by small ponies. The director stated the manufacture of this piece is temporarily discontinued. It is doubted that any have actually been manufactured.

(3) 77 mm field gun. This may be said to be the uniform field piece of the Fengtien Army. It is a post-war Austrian model, said to be very rapid firing, accurate and light weight. It has sliding breech block, hydraulic recoil mechanism with springs for counter-recoil. All parts said to be manufactured in the arsenal except recoil mechanism and sights.
Capacity about 8 per month.

(4) 105 mm gun. German type with Japanese modifications. Recoil mechanism similar to the 77 mm gun.
Capacity about 2 per month.

(5) 150 mm howitzer. German type with minor Japanese and local modifications. Sights and recoil mechanism imported. Latter is hydraulic system with spring counter recoil.
Maximum capacity 5 per month.

h. Special weapons:

No automatic rifles are manufactured. For 37 mm howitzers, see above. For trench mortars, see Trench Mortar Arsenal No. 6.

4. Power Plant:

All the power for the main arsenal area is supplied from a central plant located in the western end of the area. British equipment of two units of 1000 k.w. each furnish the power. New plants being constructed outside main enclosure appear to have their individual power plants.

5. Machine Equipment:

The arsenal has been expanded from an obsolete Manchu arsenal to its present colossal size containing the latest types of machinery. Prior to about 1919 the only modern feature was a second-hand Japanese plant which proved to be costly and inefficient. Shortly after this the expansion and modernization of the arsenal began in earnest with the installation of a central power plant (British) and the erection of the Danish arsenal by the firm of Nielsen and Winther. Since then the expansion has been rapid. New machinery and modern factory buildings have appeared continuously growing eastward in the area, while the older plants in the west area are abandoned or dismantled.

Machinery can be found from England, America and France, but the greater part consists of Japanese, Danish, German and Austrian, perhaps in quantities in the order named. The newest rifle plant is Austrian, and latest installed machinery is largely Austrian and Japanese. Germans have constructed and equipped a new steel plant and several chemical installations, the details of which are not known. A German gas plant is now under construction.

6. **Personnel:**

Almost 20,000 employees. The workmen appear to be well trained and industrious. Schools are run for heads of departments and foremen. Most of the mechanics are from Kiangsu and Chekiang and some from Kwangtung, as the northern Chinese are not experienced with factory work. It is considered a radical departure to employ women in the cartridge plant, where they are found to be efficient and cheap. There is no suggestion of labor trouble as any indication of agitation would be dealt with summarily. The officials claim to be concerning themselves with modern methods of social welfare. There are hospitals, numerous, but as yet insufficient, workmen's quarters and a large club. There are rows of handsome foreign quarters for officials, and a magnificent new club building.

No information of the number of foreign employees could be elicited, as the Chinese tend to belittle the necessity of foreign assistance. It is quite certain, however, that the efficient running of the arsenal demands foreigners in the highly technical positions. There are many Japanese advisers and foremen. Next come in order of numbers probably Russians, Germans, French, Swedes and Danes. If the French Mortar Plant is a criterion, where there are six foreign advisers to 1000 employees, the main arsenal would employ probably a hundred foreigners at least.

7. **Materiel:**

a. **Powder and Explosives.**

The director gave the impression that practically all powder and explosives are manufactured in the arsenal. From reliable foreign sources, however, I gathered that only the propelling powder for small arms ammunition in sufficient quantities is manufactured, a fraction only of TNT is made.

All detonators and most nitro-cellulose propellents are imported. A Swedish officer is in Mukden preparing to erect a new nitro-cellulose plant southeast of the airdrome. Already at this same place is a sulphuric acid factory. About a mile directly east of the main arsenal compound is a nitric acid and T.N.T. plant. It is believed that it is here that shells and air bombs are now loaded.

A short distance to the north-east of the main arsenal enclosure is a powder plant of some kind.

b. **Iron and Steel.**

Iron is purchased mainly from the Japanese plant at Penchihu. A modern German electric furnace steel plant has recently been completed with a German expert in charge. It is stated that due to the squeeze obtained through the purchase of steel from abroad, the output of the steel plant has been limited to small quantities.

c. **Copper and Brass.**

Copper is all imported from abroad. The brass is made and cast in a foundry in the main plant.

d. Gas:

Desultory experiments with gas have been reported since 1925, but no issue of gas shells or gas in other forms is known. The director stated that experiments only have taken place. A German gaw expert is now in Mukden supervising the construction of a new plant. It is estimated it will be six months (about May, 1928) before production begins.

8. General Remarks:

The arsenal is so large, covering as it does about five square miles of ground, that any detailed description of the plant is not possible. The buildings range from very old metal sheds in the western area to the most modern types of factory structures in the eastern area of the main armament works. Further to the east, and at present isolated, are the latest chemical and powder plants mentioned above. The extensive dwelling settlement lies to the south of the main plant and near to Mukden, like a modern suburb. The main entrance to the armament works is now at the eastern end of the elongated rectangle where also are the administrative buildings.

Much of the impulse in the development of the arsenal has been large-scale squeeze. The constant abandonment of the older parts of the arsenal and the building of new has been the combined result of utter lack of plan and efficiency and desire of additional squeeze. Not only does squeeze result from all new construction and purchase of machinery but from all raw materials entering the plant. It is hardly an exaggeration to state that a modern plant representing one fourth the outlay of the present arsenal would produce an equal output.

DEPARTMENT OF STATE
MIL. INTEL. DIV.
SEP
WAR DEPARTMENT

4-1

1 - HANYANG ARSENAL.

7 4410
(Replace)
2331-9-5
2

1. At Hanyang, a promontory at the junction of the Han and Yangtze Rivers, across the Han River from Hankow, adjoining the Hanyang Iron and Steel Works (latter non-operative at present).

RECEIVED G/2 W.D. SEP 3 1927

2. The Hankow Group of the Nationalist Government -- often referred to as "The Nationalist Government" or the "Wuhan Nationalist Government".

3. a. 200,000 cartridges per day (type and classes not stated).

b. 200 shells per month.

c. 200-60 pound airplane bombs per month.

d. 350 to 400 per month.

e. 200 per day (this has been raised from former production of 130 to 180. Highest daily production to date, 220).

f. 20 per month (probably Maxim).

g. 3 per month (type not stated - probably 2.95" Krupp field gun).

h. 6,000 hand grenades per month. 30 "anti-aircraft guns" per month. From description given of these guns, they are probably trench mortars.)

4. --

5. All new equipment, which comprises most of the plant, is of American manufacture; the old machinery is of German make. In 1914 the Pratt and Whitney Company, Hartford, Conn., concluded a contract with the Chinese Government for the supply of a complete equipment of arsenal machinery to produce one hundred rifles per day. A complete rifle, bayonet and scabbard can be manufactured in one day, while the German equipment required 90 hours to do this work. The plant apparently is capable of much increased output under pressure.

6. For above production, part of arsenal is working on 17 hour basis and part on two 12 hour shift basis. In all 4,300 men are now employed. They are better paid than previously but are working longer hours. Walls of arsenal decorated with many radical posters. Personnel appeared to be entirely Chinese- formerly there were reported to be ~~g~~ German, and more lately Russian, overseers.

7. a. There is a smokeless powder factory attached to the arsenal. Access to this is very seldom permitted.

b, c, and d. Greatest present needs seem to be for steel, brass and chemicals, although arsenal ~~appeared~~ apparently not suffering from lack of material at present. Understood to come largely from Shanghai and attitude seemed to indicate that there was some anxiety as to future supply.

8. Well equipped chemical and mechanical laboratories, and a school for apprentices form a part of the arsenal equipment.

John Magruder,
John Magruder,
Major, G.S.,
Military Attache.

M/A China. Report No. 7100. Aug. 4, 1927.

CHIEF OF STAFF
INTEL. DIV.
AUG 23 1927
4110
WAR DEPARTMENT

4-1

2331-I-50

G-2 Report

CHINA (Economic)

Subject: Reports on Arsenals.

RECEIVED G/2 W. D. AUG 22 1927

1. Accompanying are standardized reports on arsenals in which have been incorporated all data available from former reports and recent information. It is requested that all material now in the Digest be destroyed and replaced by the corrected reports. As other material becomes available, complete new replace sheets will be forwarded for particular arsenals, each of which will retain its permanent number as shown in the accompanying list. It is believed that only by some such method can the material on arsenals be systematically kept.

2. All arsenal data required by a General Staff officer are covered in the form. In the event that complete technical reports become available, the essential data will be extracted for the digest sheet and mention made under "Remarks" of the complete report which normally would be too detailed for the digest.

3. By this system copies of standardized reports can be sent to consuls with requests for better information. Also, isolated bits of information can be entered on our worksheets and from time to time replace sheets forwarded. This prevents material being lost in the archives as has happened heretofore.

John Magruder
John Magruder
Major, General Staff,
Military Attache.

Distribution:
4 MID
1 Tientsin
1 File

From M/A, China Report No. 7082 June 30, 1927

LIST OF ARSENALS

1. Hanyang.
2. Canton (large).
3. Canton (small).
4. Kiangnan.
5. Mukden.
6. Mukden Trench Mortar.
7. Tsinanfu (large).
8. Tsinanfu (small).
9. Foochow.
10. Taiyuanfu.
11. Kunghsien.
12. Nanking.
13. Kaifeng.
14. Nanchang.
15. Kiungchow (Island of Hainan).
16. Kalgan.
17. Chengtu.
18. Changsha.
19. Yunnanfu.
20. Peiyang.

STANDARDIZED ARSENAL REPORT FORM.

(Number of Arsenal)

(Name of Arsenal)

1. Definite location (stating transportational facilities).
2. Political group or individual leader controlling.
3. Capacity in: (capacity by day or month, state calibers and kinds).
   a. Small arms ammunition.
   b. Artillery ammunition.
   c. Special ammunition (trench mortar, gas, etc.)
   d. Pistols.
   e. Rifles.
   f. Machine guns.
   g. Field guns.
   h. Special weapons (automatic, trench mortars, 37 mm howitzers, etc.)
4. Power plant - general description - how distributed.
5. Machine equipment - brief general description - where manufactured - old or new. Is plant capable of expansion?
6. Personnel - approximate number employed, quality of workmen - nationality and number of technical foremen.
7. Material (where obtained, quality, etc.):
   a. Powder and explosives.
   b. Iron and steel.
   c. Copper and brass.
   d. Gas.
8. General remarks.

1 - HANYANG ARSENAL

1. At Hanyang, a promontory at the junction of the Han and Yangtze rivers, near Hankow, adjoining the Hanyang Iron and Steel Works. Water transportation only on Yangtze and Han rivers.

2. The Hankow Group of the Nationalist Government.

3.

a. 80,000 cartridges per day, round nosed type (amounts in rifle and pistol ammunition not stated).

b.

c.

d.

e. 120 per day - Mauser type.

f. 4 per month (Maxim).

g. Formerly manufactured 2 - 2.95" Krupp field and mountain guns per month. Also manufactured 13 cm. guns but this has been discontinued and the plants are now used for other purposes.

h.

4.

5. All new equipment, which comprises most of the plant, is of American manufacture; the old machinery is of German make. In 1914 the Pratt and Whitney Company, Hartford, Conn., concluded a contract with the Chinese Government for the supply of a complete equipment of arsenal machinery to produce one hundred rifles per day. A complete rifle, bayonet and scabbard can be manufactured in one day, while the German equipment required 90 hours to do this work. The plant apparently is capable of much increased output under pressure.

6.

7.

a. There is a smokeless powder factory attached to the arsenal.

b.

c.

d.

8. Well equipped chemical and mechanical laboratories and a school for apprentices form a part of the arsenal equipment.

From M/A, China June 17, 1927

2 - CANTON ARSENAL (LARGE)

1. To south and west of the city on the West River, about 15 kilometers distant from Canton. Connected with the city by river and rail.

2. Canton Government (Nationalist).

3. a. 800,000 per month, cal. 7.9 and 6.8 mm. (possibly increased to 1,500,000 per month).

   b. Shells for Krupp mountain guns, 75 mm, 15 per day (to be increased to 30-40 per day.)

   c.
   d.
   e. 742 per month, German Mauser model.
   f. 3 Maxim, 1 Thompson per month.
   g.
   h.

5. The arsenal was built 30 years ago by the German firm of Karlovitz, and cost about two million Canton dollars.
   Additional machinery from Swabue Arsenal was being installed (March, 1926), which will increase the small arms capacity to 1,500,000 cartridges per month.

6. Director - General Tung, educated in Germany, apparently about 25 years of age.
   Engineer - Colonel Wai, graduate of Boston Tech, about 29 years of age.
   Head Chemist - Educated in Japan.
   Head of Powder Factory -- three years with Du Pont plant.
   Head of Repair Department - Tom Williams (Chinese), 8 years with Ford Motor Co.
   (Above as of February, 1926.)
   Administrative staff - 165.
   Workmen 18,000.
   Soldiers and coolies - 214.
   A "commissary" (Russian) has charge of the political work in the arsenal.

7. a. Powder is manufactured in a separate plant located several miles from Canton (exact location not stated). From 200 to 300 pounds of pyroxylin powder per day is produced. It is a straight nitrocellulose powder of about 12.3% nitration.
   There is also a black powder factory located near Canton (exact location not given), which was not operating (Ma rch, 1926) but which it is intended to reopen.

   b.
   c.
   d.

8. It was intended (March, 1926) to put into effect some technical improvements which would make it possible to improve the tempering of the steel, to remodel machine guns, and to manufacture explosive for shells. The old black powder factory was being converted (February, 1926) into an additional cartridge factory, capable of turning out 35,000 rounds per day.

   For a detailed description of the arsenal plant and the methods of manufacture, see Report No. 5819, March 30, 1926. This report shows the amounts of arms and ammunition produced as slightly larger than those given above. The figures shown in the accompanying report were obtained from a Russian source which is believed to be accurate.

3 - CANTON ARSENAL (SMALL)

1. Located in northern part of the city of Canton in a large temple.

2. Canton Government (Nationalist).

3. a. 300,000 per month, cal. 7,9 and 6.8 mm.

   b.
   c.
   d.
   e.
   f.
   g.
   h.

4.

5.

6. Administration 22; workmen 327. Director is an engineer who received his technical education at Tientsin.

7. a. Manufactures 70 to 80 lbs. of pyroxlyin powder per day.

   b.
   c.
   d.

8. It was intended (March, 1926) to close the small arsenal as soon as the manufacturing capacity of the large arsenal is increased.

4 - KIANGNAN ARSENAL, SHANGHAI.

1. Located near Lunghwa station on a spur of the Shanghai-Hangchow Railroad leading to Shanghai South Station.

2. Nationalist Government (Chiang Kai-shek).

3. a. 50,000 rifle cartridges per day, if run at full capacity. Pistol cartridge output unknown.

   b.
   c.
   d.
   e. Has machinery for manufacture of German Snyder Rifle (model of 1898); amounts produced unknown.
   f.
   g. During 1919-1920 manufactured Krupp field guns to the number of about 100 or at the rate of about 4 per month. Calibre of these guns unknown.
   h.

4.

5. The machinery for the manufacture of small arms is all of German make and of old type. Some new machinery has been installed in recent years (1921). The arsenal has a steel plant and rolling mill which uses the Siemen-Martins Process. The machinery is all British.

6. 1,000 (March, 1926).

7. a. The arsenal is capable of producing black, brown and smokeless powder.

   b. Hematite iron for the steel mill has to be imported as native ore cannot be delivered at Shanghai cheap enough to compete with the imported.

   c.
   d.

8. It was reported in March, 1926, that the rifle factory, gun factory and foundry had been reopened after having been closed for some years.

From M/A, China

June 28, 1927

5 - MUKDEN ARSENAL

1. Located about five miles east of Mukden and close to the Air Field. Enclosed in high brick walls with main entrance in center of south side. Connects by branch railroad to main line of South Manchurian Railway.

2. Chang Tso-lin.

3. a.
   b.
   c. It was reported in 1925 that the arsenal was manufacturing a limited number of air bombs. The majority of these bombs are 72 lbs. in weight, filled with T.N.T. and a mixture of cordite. A few are larger, weighing 125 lbs.
   The smaller bombs are 20 inches long and 5 inches in diameter and in addition have an eight inch tail piece with four flanges. These bombs resemble trench mortar bombs, only they are more snub-nosed. It was reported in April, 1925, that experiments were being carried out for the manufacture of chloral phosgene and mustard gas under the supervision of three German and four Russian chemists.
   d.
   e. 7.9 mm. calibre rifles, Japanese model, produced in numbers unknown.
   f.
   g. It was reported in 1925 that the manufacture of German model 77 mm. field guns was being carried on.
   h.

4. The central power plant is located at the eastern end of the arsenal area and consists of two units of 1000 k.w. each.

5. Machines for manufacture of parts for small arms were supplied by Nielsen and Winther, a Danish firm, and are equipped with Westinghouse motors. One of these machines is of American manufacture, the product of Pratt and Whitney, Hartford, Conn. No information as to date of manufacture is available.

6. It was reported in 1924 that apparently no foreigners were employed in the arsenal.

7. a. Powder is manufactured in the old arsenal, about four miles east of Mukden, quantity and kinds unknown.
   b.
   c.
   d.

8. The main arsenal buildings are in the western half of the area and consist of a row of brick buildings of Japanese construction; dimension of each approximately 75 yards by 25 yards, along the western wall of the arsenal; and of a row of six reinforced concrete buildings of Danish construction, parallel to and east of the brick buildings. The concrete buildings are of the best type of modern construction for factory purposes. The most southern one has a double or "M" type roof and a ground dimension of 100 yards by 80 yards; the remaining five being identical with ground dimensions of approximately 100 yards by 40 yards. There are in this area three storehouses along the railway tracks, a freight shed and a concrete water tower. The area also contains administrative buildings, quarters for officers and barracks. The arsenal was reported as working at about 50% of its maximum efficiency in April, 1925. It was reported in May, 1925, that the construction of a large addition to the arsenal was being carried out, and negotiations were being conducted for the purchase of new machinery, probably from Nielsen, Winther and Co., Copenhagen.

6 - STOKES MORTAR AND AMMUNITION FACTORY, MUKDEN.

1. Situated at what is known as "The Great North Camp", north of the city and near the main line of the South Manchurian Railway. It is connected with the city by a good military road, the average width of which is 25 ft.

2. Chang Tso-lin.

3. a.
   b.
   c. 1500 3" trench mortar projectiles per day. The projectiles weigh about 9 1/3 lbs. each, and the cost for material and labor is about Mex. $1.50 each.
   d.
   e.
   f.
   g.
   h. 3 3" mortars per day (March, 1925). Cost of each mortar about Mex. $225.

4. Power is supplied by a small power house located directly across the yard from the front gate of the arsenal. Power is generated by a 100 horse power oil engine.

5. The machines for the manufacture of the projectiles consist of 68 lathes of German manufacture purchased in Shanghai, having centers 6 to 8 inches, and beds 6 ft. long. 20 lathes are engaged in making the mortar barrels.

6. The workmen are reported as very efficient, as much as possible being done on the piece work system. The nominal head of the plant (1923) was Colonel Chu of the Chinese Army (25 years old in 1923), but at that time Sutton had real charge of the work, with a Greek named Andrew as assistant. The foreman molder was engaged by Sutton at a salary of $110.00 Mex. per month.

7. a. Percussion caps are imported from a Japanese firm in Antung, T.N.T. imported from Japan and ballistite from Norway.

   b. Iron for the manufacture of projectile bodies is as follows: 65% Hanyang No. 1 pig iron, manufactured at the Hanyang iron works, 25% Pen Shih Hu pig iron from Penhsi Iron Works, 48 miles southwest of Mukden, and 10% scrap. Steel tubes for making the mortar barrels are received from Shanghai. Some are imported from England and some are manufactured at the Shanghai Mills, Ltd. These tubes are listed on ship's manifests as "hydraulic tubes".
   c.
   d.

8. In 1923 experiments were being made in the arsenal on the production of a 6" mortar but this later (April, 1925) proved impracticable, and attempts were being made to develop a 4" mortar which could be transported by two men on a carriage modeled after the Chinese wheelbarrow.
   The layout of the factory, its cleanliness and systematic way of conducting work are reported as excellent.
   In July, 1926, a new trench mortar arsenal being built in New Town, Mukden, by Sutton was reported half completed. However, as a result of his political activities he lost favor with Chang Tso-lin, and the new plant has been abandoned.

   For complete description of trench mortar projectile see G-2 Report #5389.

7 - TSINANFU ARSENAL (LARGE)

1. 8 km. south of Tsinanfu on the Tientsin-Pukow Railroad. There is a good motor road connecting the arsenal with Tsinanfu. Small arsenal at same location, under different management.

2. Chang Tsung-chang.

3. a. 2,000,000 cartridges per month.

   b.

   c. Trench mortar bombs 10 to 15 per day. Charges 500 to 800 per month.

   d.

   e.

   f.

   g.

   h.

4. Steam engines (not central power plant).

5. Old German and English machinery.

6. About 1500. Only Chinese employed.

7.

   a. Black and smokeless powder are being manufactured in a small powder factory attached to the arsenal. T.N.T. obtained through Chang Tso-lin from Norway (firm of Nielsen).

   b.

   c.

   d.

8. This arsenal never works at full capacity, owing to lack of money and shortage of materials.

From M/A, China

June 28, 1927

8 - TSINANFU ARSENAL (SMALL)

1. 8 km. south of Tsinan on the Tientsin Pukow Railroad. Also good motor road. Same location as large arsenal.

2. Chang Tsung-chang.

3. a.
   b.
   c. 2,000 to 3,000 hand grenades per month, type similar to "Mills". To date made about 1000 aeroplane bombs, will make more. In the future will also make rifle grenades (about 1 1/2 lbs.)
   d.
   e.
   f.
   g.
   h.

4. Steam engines. (Not central power plant.)

5. Old machinery transferred in 1926 from the dismantled Tehchow Arsenal.

6. About 300 men. Foreman and watchmen all White Russians. Merkouleff, the Senior Adviser to Chang Tsung-chang, in charge.

7.
   a. Powder from a small powder factory near the arsenal. T.N.T. from Norway (Nielsen) through Chang Tso-lin.
   b.
   c.
   d.

8. This arsenal can be greatly enlarged, provided the necessary funds are forthcoming, which is very doubtful.

From M/A, China

June 28, 1927

9 - FOOCHOW ARSENAL

1. Located at Hung Shan Ch'iao, a few miles west of Foochow.

2. Nationalist Government (Chiang Kai-shek).

3. a. Has facilities for manufacture of small arms ammunition, none being produced at time of last report (November, 1921).

   b. Can manufacture shells for 12.5 inch Krupp seacoast guns, 1882 (of which there are two), and for 6 inch Krupp guns, 1882. Also manufactures shells for 47 and 75 mm calibre mountain guns.

   c.
   d.) 90 to 100 small arms per month, but none were being manufactured
   e.) at time of report (November, 1921).

   f. 3 per month. German model Maxim.

   g. 3 75mm. every two months. 3 47mm guns per month.
   h.

4.

5. Arsenal consists of machine and finishing shops. No furnaces for cast steel or forging machinery.

6. Employs 300-400 men.

7. a. A smokeless powder plant is in course of construction (1921) on right bank of Min River opposite the arsenal. This was to be completed January 1, 1922, with a capacity of 200 lbs. of cordite per day.

   b. Forgings are obtained from Japan. Cast iron is obtained by melting up old round short and smooth bore cannon.

   c.
   d.

8. The powder plant mentioned above will upon completion be under a different management than that controlling the arsenal.

10 - TAIYUANFU ARSENAL

1. Located about one mile north of North Gate. Connected with city by a fair motor road. Connected by spur with Cheng-Tai railroad (gauge one meter).

2. Yen Hsi-shan.

3. a. Produced in amounts unknown.

   b. 75 mm and 35 mm produced in unknown amounts.

   c. Hand grenades of potato masher type produced (for detailed description see Report No. 5880.)

   d.

   e. Produced, amounts unknown.

   f. Produced, amounts not known.

   g. 75 mm field guns and 35 mm mountain guns are produced.

   h.

4.

5. Machinery is of German make. Contract has been closed (1926) for further supply of machinery with firm of Herewitz.

6. 3 Germans.
   1 French.
   1 British - specialist in artillery ammunition and fuses.
   2,000 - 3,000 Chinese.

7. a.
   b.
   c.
   d.

8. In September, 1925, the arsenal obtained a complete lot of second-hand machinery for manufacture of rifles and small arms ammunition. This was originally intended for the Sianfu Arsenal, Shensi Province, and was purchased through Kem Yuen Company, a German firm whose head office is in Shanghai.

11 - KUNGHSIEN ARSENAL (HONAN PROVINCE)

1. Located near Kunghsien, Honan Province, on the Lunghai railroad, about 35 miles west of Chengchow. A new station has been built at Hsiao I (west of Kunghsien on the railway) from which a spur track one-half mile long runs into the arsenal.

2. Nationalist Government (Feng Yu-hsiang).

3. a. Small arms output unknown.

   b. Manufactures ammunition for mountain howitzers and 75 mm guns.

   c.

   d.

   e.

   f.

   g.

   h.

4.

5. Machinery supplied by Pratt and Whitney, U.S.A. As the arsenal was built by Yuan Shih-kai, the machinery probably is about 15 years old.

6. Two foreign educated C hinese engineers and 20 workmen employed (October, 1926).

7. a.

   b.

   c.

   d.

8. In 1922 the machinery for a rifle producing plant was brought up from Shanghai via Hankow. Except for some small pieces none of this machinery was ever installed, and part of it has been moved away. The main arsenal buildings are built in four sets, each set with a 250 ft. smoke stack. The buildings are of red brick, well constructed and well lighted.

12 - NANKING ARSENAL.

1.

2. Nationalist Government (Chiang Kai-shek).

3. a. 1,200,000 rounds per month.

   b.

   c.

   d. 120 per month.

   e.

   f. 4 old style Maxim per month.

   g.

   h.

4.

5. Has six separate shops. Machine shop, ammunition factory, iron foundry, copper foundry, moulding shop and wood-working shop. Machinery is mostly of German manufacture and quite old.

6. Employs in all about 400 men.

7.

   a.

   b.

   c.

   d.

8.

13 - KAIFENG ARSENAL.

1. Located 100 yards from railroad in the southern suburb of Kaifeng.

2. Nationalist Government (Feng Yu-hsiang).

3. a. 30,000 cartridges for German "Mauser" 3.11 line rifles per day (cost 7 cents Mex. each). Some (amount not stated) for Japanese 2.5 line rifles. 1500 cartridges for "Mauser" pistols, daily. 40,000 percussion caps per day.

   b.

   c.

   d. 30 "Mauser" pistols per month.

   e. 140-150 new German Mauser rifles per month (cost 50-60 dollars Mex. each). Can repair 600-700 rifles per month.

   f. Can repair 5 or 6 machine guns per month.

   g. Has a special workshop for the repair of artillery guns.

   h.

4. Power plant consists of two steam boilers, pressure 11-12 atmospheres, and two steam engines, one of which is 100 H.P. H.P. of the other not known. It was reported in November, 1925, that a new 100 H.P. engine was being installed which would make it possible to turn out between 55,000 and 60,000 cartridges per day.

5. There are 10 furnaces in the forge room, and two melting furnaces in the foundry.

6. Administrative staff consists of 1 chief, 1 manager, 1 engineer (who is also in charge of manufacture of cartridges), two assistants (one in charge of arms manufacture) and 13 technical foremen.

   There are 1150 workmen employed, distributed approximately as follows:

Cartridge manufacture	600
Arms	400
Artillery repair	20
Wood-working shop	40
Forge room	45
Foundry	45
	1150

   All administrative staff and workmen Chinese.

7. a.

   b.

   c.

   d.

8. Above figures from a Russian report of November, 1925.

14 - NANCHANG ARSENAL

1. Nanchang, Kiangsi.

2. Nationalist Government (Chiang Kai-shek).

3. a.
   b.
   c.
   d.
   e.
   f.
   g.
   h.

4.

5. All machinery except engine for driving plant, which is an old one, has been made by Berlin firm of Schuchardt and Schutte, which works in collaboration with firm of Fritz Werner of Berlin-Wanenfeld. Plant to comprise 38 machines, nearly all presses for manufacture of small arms ammunition only. Rifles might possibly be manufactured.

6. Plant was being installed (February, 1925) by a German named Demmren.

7.
   a.
   b.
   c.
   d.

8. Plant was reported in process of construction in February, 1925.

15 - KIUNGCHOW ARSENAL.

1. Located at Kiungchow on Island of Hainan.

2.

3. a. 10,000 rounds per day.

   b.

   c.

   d.

   e.

   f.

   g.

   h.

4.

5. ~~Machinery cost 40,000,000 HK taels.~~ Some manufactured in England.

6. Employs about 100 men.

7. a. Chemicals obtained in Hongkong.

   b.

   c. All metal supplies obtained from Hongkong.

   d.

8. Cotton is obtainable in Singapore. Plant founded in 1922. Manufactures only rifle cartridges.

16 - KALGAN ARSENAL.

1. At Kalgan railroad shops, and Kalgan mint.

2.

3. a. 10,000 per day.

   b. 12 per day.

   c. Several hundred hand grenades per day.

   d.

   e.

   f.

   g.

   h.

4.

5. Uses machine equipment at the railroad shops and mint.

6. It was reported in 1925 that no foreigners were engaged in supervising the manufacture of casings in the railroad shops, but foreigners (Russians) were believed to be engaged in the manufacture of explosives within the mint.

7. a. Powder and explosives manufactured in the mint.

   b.

   c. In 1925 difficulty was reported in securing supplies of copper and brass.

   d.

8. Repairs to rifles, small arms and artillery are carried on in an armory located in the mint.

   Kalgan has no arsenal proper, the arsenal work being carried on in the railroad shops and the mint.

17 - CHENGTU ARSENAL, CHENGTU, SZECHUAN.

1. There are two arsenals, the larger outside the city, the smaller inside.

2.

3. a. Small arms ammunition can be manufactured in the large arsenal.

   b. 30 to 40 3" shrapnel produced per day in the small arsenal are of poor quality.

   c.

   d.

   e. Rifles can be manufactured in the large arsenal.

   f. Machine guns can be manufactured in the large arsenal.

   g.

   h.

4.

5. The smaller hand-worked machinery has been removed from the large arsenal to the smaller, but the larger machinery is intact and undamaged and could be re-started if funds and materiel were obtainable (April, 1921).

6.

7. a.

   b.

   c. The copper for the shrapnel produced in the small arsenal is of local production and very inferior in quality.

   d.

8. Work in the large arsenal is reported (April, 1921) to have ceased in 1920, and at the same time the smaller arsenal was reported as about to close.

18 - CHANGSHA ARSENAL, HUNAN PROVINCE.

1.

2.

3. a.

b.

c.

d. A few 22 calibre of poor quality.

e. Might possibly turn out 40-50 per month.

f. Maxim - maximum 2 or 3 per month.

g.

h.

4.

5. It was reported in 1921 that a great deal of new machinery had been bought in the United States and was stored in Chu Chow awaiting erection of new arsenal buildings. The old shops were reported in process of dismantling.

6. Approximately 400 employed.

7. a.

b.

c.

d.

8.

From M/A, China

June 30, 1927

19 - YUNNANFU ARSENAL.

1.

2.

3. a. 80,000 rounds per month.

b.

c.

d.

e.

f.

g.

h. Produces some hand grenades.

4.

5. Machinery and plant were erected for Government by German firm of Carlowitz and Co. Machinery and plant now obsolete (has been neglected and for most part ruined).

6. Director trained in Japan - Ou Lou-tcheou.

7. a.

b.

c.

d.

8. Operations limited to manufacture of small arms ammunition, reloading ammunition and making of swords, bayonets, etc. Lack of powder occasionally necessitates complete cessation of operations.

From M/A, China

June 30, 1927

30 - PEIYANG ARSENAL.

1. Located in northeastern part of Tientsin, near the Tupan's Headquarters.

2. Ankuochun (Chu Yi-pu).

3. a.

   b.

   c.

   d.

   e. Manufactures spare parts for rifles, also bayonets. Is able to repair 300-400 rifles per month.

   f. Able to repair 10 machine guns per month.

   g. Can make repairs to artillery.

   h. Has machinery for manufacture of Stokes mortars. Maximum capacity 10 per month.

4. Power supplied by a steam engine of 100-120 H.P.

5. There are between 80 and 100 lathes in the mechanical section of the arsenal. These are of various types, mostly new and of good quality. The foundry contains 2 blast furnaces, 11 ordinary furnaces, and a steam hammer.

6. In February, 1926, the head of the arsenal was Colonel Chang Meng-ling, who had held the position for many years. At that time about 500 workmen were employed.

7.

   a.

   b.

   c.

   d.

8. The plant was formerly a mint and was converted into an arsenal during the regime of Yuan Shih-kai. It was reported in February, 1926, that it was contemplated to purchase machinery for the manufacture of rifles and parts for armored trains. The arsenal is reported as having the appearance of a well conducted enterprise.

   Above data was obtained from the report of a Russian agent to the Soviet Embassy in Peking, dated February, 1926.

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4410

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CHINA (Economic)

OFFICE CHIEF OF STAFF
MIL., INTEL. DIV.
JUN 17 1937
2331-J-50
38
WAR DEPARTMENT

Subject: Armament and Ammunition - Arsenals and Factories

10. Taiyuanfu Arsenal

RECEIVED G/2 W. D. JUN 16 1937

The information contained in this report was obtained from a reliable foreign source in 1930, and has been brought up to date by a Chinese agent of this office who visited Taiyuan in May, 1937.

1. Location.

Located about one mile north of the north wall of the city of Taiyuan. The area of the arsenal is approximately two Chinese li from east to west and one li from north to south. Branch lines of the Chengtai (Shihchiachwang-Taiyuan) and Tungpu (Tatung-Tungkuan) railways run into the arsenal. The automatic rifle plant, fuze assembly plant, and some machine shops are located away from the main arsenal inside the city of Taiyuan.

2. Control.

The arsenal is controlled by Yen Hsi-shan, Pacification Commissioner of Shansi and Suiyuan, who watches its operation very closely. It is directly supervised by Chang Shu-tien, a native of Shansi and graduate of the provincial Industrial College, who is considered an able man.

3. Capacity as of May, 1937.

a. 120,000 rounds of rifle and machine gun ammunition per day (day and night shifts). A small amount of pistol ammunition can be turned out.

b. Artillery Ammunition.
1500 75 mm. shells per day and 150 105 cm. shells per day.

c. Special ammunition.
3000 hand grenades, potato masher type.
Unknown amount of air bombs.

d. Pistols.
Production of pistols has ceased and machinery is being used for production of small commercial articles and for repair purposes.

e. Rifles.
1200 to 1400 cal. 7.9 cm. per month (cost $20.00 Mex. each).

f. Machine Guns.
10 Hotchkiss guns per month.

CHINA (Economic)

Subject: Armament and Ammunition - Arsenals and Factories

10. Taiyuanfu Arsenal

g. Field Guns.

4 75mm. mountain guns and 4 75 mm. field guns per month can be produced, but none are being manufactured at the present time and the plant is being used to produce articles of industrial use. An extensive plant has been installed for the manufacture of 150 cm. howitzers, but this is also not in use.

105 cm. howitzers have been manufactured in the past, and production could possibly be resumed again.

h. Special Weapons.

The arsenal has equipment for manufacturing about 500 automatic rifles of the Chauchat type per month, but these have proved to be of such poor quality in the past that their production has been discontinued, and many of the rifles have been distributed free to village defense corps.

4. Electric Plant:

Electric power for the arsenal is furnished by three large generators, one Dutch (12-1500 kw.), one German (500 kw.) and one English (2500 kw.). The installation is excellent.

5. Machinery:

The machinery in the arsenal is reasonably modern, of about equal American, British, and German manufacture. It is maintained in good condition.

6. Personnel:

The arsenal now employs about 4,500 workmen, mostly natives of Shansi and many of them graduates of provincial industrial schools. When running at full capacity before the Yen-Feng rebellion of 1932, the plant employed between 7,000 and 8,000 men. Wages are in general lower than in other Chinese arsenals, workmen receiving from $8.00 to $60.00 per month; clerks and executives from $12.00 to $300.00, all sums in Mex. Much of the work is done on a piece-work basis. The arsenal now has two German technical advisers. Formerly five were employed.

7. Material:

a. Powder and Explosives:

Adjacent to the arsenal is a well equipped powder plant.

CHINA (Economic)

Subject: Armament and Ammunition - Arsenals and Factories

10. Taiyuanfu Arsenal

b. Iron and Steel.

A small steel plant is operated, but much steel is imported. Considerable pig iron is produced at a foundry on the Chengtai Railway at Yang Ch'uan where coal and iron are both mined. The coal is of excellent quality, but the sulphur and phosphorus content of the iron ore is too high to make good steel.

c. Copper and Brass.

The arsenal produces considerable brass, with copper purchased from outside sources.

d. Miscellaneous.

Coal is produced in large quantities in the province, particularly along the railway line between Taiyuan and Shihchiachwang.

e. Electric Power.

The arsenal sells electric power for industrial and private purposes.

8. Remarks:

Since the loss of the Mukden Arsenal, the Taiyuan Arsenal may be considered the best equipped in China. Because of the fact that it produced a large part of the munitions used by the anti-Chiang Kai-shek forces during the Yen-Feng rebellion of 1932, the Central Government has looked upon the plant with disfavor since that time, and would probably be glad to see it dismantled and the machinery moved elsewhere. To carry out such a project, however, would be very difficult because of the expense involved and the fact that Yen Hsi-shan is still strong enough to offer effective opposition. The hostility of the Central Government, however, has had the effect of greatly curtailing the output of the arsenal since 1932.

In order to distract attention from the potentialities of the arsenal as a producer of war material which might be used against the Central Government, and at the same time to justify the expense of its upkeep to the people of Shansi province, Yen Hsi-shan has renamed the plant "The North-Eastern Industrial Company," and is using its facilities to a great extent for the manufacture of articles for commercial and industrial use, such as light and heavy machinery (lathes, pumps, etc.), railway rolling stock, tools, farm implements, and many other articles. In this way the machinery for producing munitions is maintained in good condition without drawing too much unfavorable attention from Nanking.

CHINA (Economic)

Subject: Armament and Ammunition - Arsenals and Factories

Thus the arsenal may be considered at the present time as a camouflaged munitions plant, producing small amounts of arms and ammunition and larger quantities of articles for industrial use. With the machinery being maintained in good condition, however, and a skeleton working force employed at all times, resumption of munitions production on a large scale can be resumed on short notice.

Running expenses of the arsenal, except for special purchases of machinery and materials, are about $80,000 per month, Mex. A policy of strict economy in operation is followed by Yen Hsi-shan, which is reflected in the low wages paid and in the very simple arrangements maintained in the plant for such comparatively unimportant purposes as living quarters and office space.

Joseph W. Stilwell,

DDB

Joseph W. Stilwell
Colonel, Infantry
Military Attache

Distribution:
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G-2 Report 4410

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AUG 15 1936
OFFICE CHIEF OF ARMY
MIL., INTEL. DIV.
WAR DEPARTMENT

2331-D-50
37

MANCHURIA (Economic)

Subject: Armament and Ammunition - Arsenals and Factories

Mukden Arsenal

RECEIVED G/2 W. D. AUG 12 1936

When the Japanese occupied Manchuria in 1931 the Mukden Arsenal built by Chang Tso-lin was confiscated and has been operated since that time by a company organized in 1932 as a joint stock company, equal shares in which were contributed by Mitsui & Company and Okura & Company.

The original capitalization was for Yen 2,000,000 and the reorganization increases capitalization to Yen 4,600,000. One half of this amount is to be contributed by the "Manchoukuo" Government and the law provides for the supervision and control of the company by the Minister of Defense, who is controlled by Japanese advisers.

A translation of Imperial Ordnance No. 116 of July 1, 1936, entitled "Law of the Mukden Arsenal Limited" is given below:

LAW OF THE MUKDEN ARSENAL LIMITED

Article 1: The Government, in order to unify and make secure the munitions industry, shall cause the Mukden Arsenal Limited to be established.

Article 2: The Mukden Arsenal Limited shall be a joint stock limited company, whose object shall be to engage in the following businesses:

(a) The manufacture, repair and sale of arms, materials for arms and ammunition.
(b) The manufacture and sale of explosives and materials thereof.
(c) Accessory business to the foregoing.

The Mukden Arsenal Limited may engage in business other than that specified in the several headings of the foregoing paragraph with the permission of the Minister of Defense.

Article 3: The Mukden Arsenal Limited shall have a capital of ¥4,600,000 of which 2,300,000 shall be contributed by the Government.

Article 4: The shares of the Mukden Arsenal Limited shall be registered, each share having a face value of ¥500.

Article 5: The shares of the Mukden Arsenal Limited shall not be transferred to other persons without the consent of the company.

Article 6: The share holders of the Mukden Arsenal Limited shall have a vote for each share.

From M/A, China Report No. 9440 July 17, 1936

RESTRICTED

MANCHURIA (Economic)

Subject: Armament and Ammunition - Arsenals and Factories

Mukden Arsenal

Article 7: The Mukden Arsenal Limited shall have a Chairman of Directors, not more than 6 Directors, and 2 Auditors.
The Mukden Arsenal Limited may have one Vice-Chairman of Directors.

Article 8: The Chairman of Directors shall supervise the business of the Mukden Arsenal Limited.
When the Chairman of Directors is prevented, the Vice Chairman of Directors or one of the Directors shall assume his duties. The Vice Chairman of Directors shall assist the Chairman of Directors in supervising the business of the Mukden Arsenal Limited.
The Directors shall assist the Chairman of Directors and Vice Chairman of Directors in supervising the business of the Mukden Arsenal Limited.
Auditors shall inspect the business of the Mukden Arsenal Limited.

Article 9: The Chairman of Directors, the Vice Chairman of Directors, the Directors and the Auditors shall be appointed at a general meeting of Directors. The term of office of the Chairman of Directors, the Vice Chairman of Directors and the Directors shall be three years; the term of the Auditors shall be two years.

Article 10: The Chairman of Directors, the Vice Chairman of Directors, and Directors who represent the company may not engage in any other business without the permission of the Minister of Defense.

Article 11: When the Minister of Defense deems it necessary, he may at any time cause the Mukden Arsenal Limited to make a report of the condition of its business of property, or he may cause officials under him to inspect its vaults, books of record, or other miscellaneous correspondence or things.

Article 12: The Mukden Arsenal Limited shall fix its business projects for each business year and shall submit them to the Minister of Defense prior to engaging in them.

Article 13: Resolutions for the appointment or the release of the appointment of the Chairman of Directors, Vice Chairman of Directors, D irectors or Auditors, for the alteration of the articles of association, for the disposition of profits, for the issue of debentures or for amalgamation or liquidation, shall not be effective until the permission of the Minister of Defense has been received.

Article 14: The Mukden Arsenal Limited, until it has received the permission of the Minister of Defense, shall not transfer or hypothecate important property to others.

MANCHURIA (Economic)

Subject: Armament and Ammunition - Arsenals and Factories

Mukden Arsenal

Article 15: The Mukden Arsenal Limited, until it has received the permission of the Minister of Defense, shall not discontinue or suspend a whole or a part of its business.

Article 16: The Minister of Defense may issue necessary orders in connection with the supervision of the business of the Mukden Arsenal Limited.

Article 17: The Minister of Defense may issue orders necessary for military reasons or in the public interest in connection with the business of the Mukden Arsenal Limited.

Article 18: The Minister of Defense, when he deems that the resolutions of the Mukden Arsenal Limited are in contravention of laws and regulations or of its articles of association or are prejudicial to the public interest, may cancel such resolutions.

The Minister of Defense, when he deems that the acts of the Chairman of Directors, the Vice Chairman of Directors, the Directors or Auditors are in contravention of laws and regulations, the articles of association, or of orders issued in accordance with this law or are prejudicial to the public interest, may order their dismissal.

Article 19: When the amount which may be distributed in dividends in any business year of the Mukden Arsenal Limited is less than six percent of its paid up capital, profits shall be distributed in dividends in respect to the shares other than those held by the Government at the rate of six percent, and the remainder may be applied to the shares held by the Government.

SUPPLEMENTARY RULES:

Article 20: This law shall go into effect on the date of its promulgation.

Article 21: The Government shall order an organization committee, which shall be caused to handle all matters in connection with the establishment of the Mukden Arsenal Limited.

Article 22: The organization committee shall prepare articles of association.

Article 23: When the total amount of shares have been subscribed, the organization committee shall, without delay, cause the shares to be paid up.

When the shares have been paid up, the organization committee shall, without delay, convene a general meeting for establishment.

Article 24: When the organization committee has completed the registration of the Mukden Arsenal Limited, it shall, without delay, transfer its business to the Chairman of Directors.

G-2 Behalf

MANCHURIA (Economic)

Subject: Armament and Ammunition - Arsenals and Factories

Mukden Arsenal

Source: Translation from Manchoukuo Government Gazette made by American Consulate General, Mukden.

COMMENTS: Further details will be reported when the new company is formally organized.

For and in the absence of the Military Attache:

S. V. Constant

S. V. Constant
Major, Cavalry
Assistant Military Attache

Distribution:
6 MID
1 File

C O P Y

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In reply refer to:

HEADQUARTERS HAWAIIAN DEPARTMENT
Office of the Chemical Officer
Fort Shafter, T. H.

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
2331-J-10
36
WAR DEPARTMENT

May 14, 1935.

SUBJECT: The Chinese Chemical Warfare Arsenal.

Thru: Department Chemical Officer,
Fort Shafter, T.H.

To: Commanding General, Hawaiian Department,
Fort Shafter, T.H.

1. The undersigned, while on a leave of absence in the Orient recently, obtained some information on Chemical Warfare progress in China. The data obtained are written from memory and were given me by a Mr. Muskopf, an American citizen, employed by the Lake Erie Chemical Company of Cleveland, Ohio. Mr. Muskopf has long been a personal friend of the undersigned and after some urging gave the descriptions under strict confidence, with the understanding that it be used only by the United States War Department.

2. The Lake Erie Chemical Company, an organization principally dealing in chemical munitions, is under contract to erect a number of chemical munition plants for the Chinese government; teach the operation principles to Chinese engineers; and provide certain facilities and reagents for manufacturing and filling of a few chemical agents. Mr. Muskopf is employed by this company, but his services as an expert are contracted in turn to the Chinese government. He has been employed on this work for about a year and expects to remain in China for about one year longer.

3. The Chinese have had an Arsenal of sorts located at the city of Siaoyi (pronounced Chow-yi) province of Honan, China, for some twenty years. This city is located on the Haichow-Tungkwan railway line, west of the junction of the Pekin-Hankow railway at Chengchow. I should estimate that Siaoyi is about 200 miles west of Suchow, the junction point of the Haichow-Tungkwan railway and the Tientsin-Nanking railway. The Arsenal has hither-to been devoted to the manufacture of small arms ammunition, with some Field Artillery shell.

4. The city (about ~~200,000~~ 100,000 population) is fairly well located, from a strategic standpoint, inasmuch as it is well toward the central part of China and within a short distance of extensive coal fields. The section is described as less advanced, with respect to European civilization, than the territory near the coast, and it is supposed that one of the main reasons for fostering an Arsenal in this place is, to aid in the development of the

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Province of Honan together with the fact that it will be possible, because of the very few foreign residents, to maintain secret production of war materials.

5. The Chemical Warfare Arsenal under construction may be described as follows:

a. Plants for manufacturing basic reagents.

b. Plants for manufacturing intermediates.

c. Plants for manufacturing chemical agents.

d. Plants for manufacturing and filling war chemical munitions.

e. Gas mask plant.

f. Laboratories.

6. Basic Reagent Plants - There are two main basic reagent plants, viz: sulfuric acid and chlorine.

a. Sulfuric Acid.

(1) Process - Modern contact-vanadium catalist. The process is a modern contact system, using vanadium oxide as the catalyst.

(2) Capacity. The capacity is estimated as about ~~2,000 lbs~~. per day.
15 tons

(3) Raw Materials. The raw material is pure sulfur, at present imported from the United States.

(4) Uses. The expected uses of the product are:

(a) Reagent in manufacture of smokeless powder.

(b) Absorbent in chlorine and chemical agent manufacture.

(c) As oleum and SO_3 in manufacture of liquid smoke for airplanes.

(d) Excess for commercial sale and use in manufacture of fertilizers.

(5) Construction of Plant. The plant was constructed

by a subsidiary of the ~~Monsanto Chemical Company,~~ an American concern, and is now completed and ready to operate.

The Leonard Constr. Co., Chicago, Ill.

b. Chlorine.

(1) Process. The electrolytic process is employed. Modern electrolytic cells have been installed.

(2) Capacity. The capacity is estimated as about 2,000 lbs. per day of 24 hours. ~~to 3,000 lbs.~~

(3) Raw Materials. Salt and electric power comprise the raw materials. The Chinese salt is said to be unsuitable.

(4) Uses. The expected uses are:

(a) Reagent for manufacture of sulfurmonochloride.

(b) Reagent for manufacture of intermediates in CN plant.

(c) In manufacture of chlorsufonic acid for liquid smoke.

(d) As liquid chlorine for storage.

(e) For manufacture of hydrochloric acid.

(5) Construction of Plant. The most modern and up to date electrolytic cells have been installed by the Westvaco Chlorine Products Co., N.Y.C. ~~an American chlorine manufacturing firm.~~ The plant has been completed and is now ready to operate.

(6) Miscellaneous Notes. The installation consists of a salt purification works, the electrolytic plant, a caustic soda plant, a chlorine liquefication plant, and hydrochloric acid plant. The caustic soda, in excess of the quantity needed for tail gas neutralization and absorbtion from chemical agent filling and manufacturing processes, will probably be sold on the commercial market. The liquid chlorine produced will very likely be for storage. The hydrochloric acid will probably be used for liquid smoke, DM manufacture, and commercial disposal.

7. Intermediate Reagent Plants - The principal intermediate

used in the manufacture of two or more substances is sulfur monochloride ($S_2 Cl_2$). This reagent is an ingredient in mustard gas (HS), and in the formation of Chloracetyl Chloride an intermediate reagent used in making chloracetophenone (CN or tear gas).

(1) Process. The process is one commonly used in the United States; absorbtion of chlorine in a solution of sulfur in sulfur-monochloride. Provision has been made to distill the product afterwards, in the belief that some of the sludge and tar formation in the Levenstein process for making mustard gas may be avoided by using a purified $S_2 Cl_2$.

(2) Capacity. The rated capacity is estimated as 2,000 lbs. per day.

(3) Raw Materials. The chlorine is produced locally. The sulfur is obtained at present from the United States.

(4) Construction. The plant is being constructed by the Lake Erie Chemical Company and is about 60% completed.

8. Chemical Warfare Agent Factories - Plants for the manufacture of three chemical warfare agents are being erected.

a. Mustard Gas.

(1) Process. The Levenstein process for manufacture of Mustard gas has been adopted. The system is the same as known in the United States, with no important inovations. In the preparation of ethylene (C_4H_4) one of the intermediates - the ethyl alcohol - is dehydrated in contact with Kaolin.

(2) Capacity. The capacity is estimated as about 1500 lbs. per day, with a maximum of 2000 lbs. per day.

(3) Raw Materials. The sulfur-monochloride has been described above. The ethyl alcohol is at present imported from the United States, but may be procured in China later.

(4) Use. It is expected to use the product for filling artillery shell. There has been some talk of

filling airplane bombs - (according to Mr. Muskopf).

b. Chloracetophenone (CN or tear gas)

(1) Process. The process employed is that developed in the United States.

(2) Capacity. The capacity is estimated as about 1000 to 1500 lbs. per day.

(3) Raw Materials. The raw materials are ~~acetic~~ monochloracetic acid, acid, benzene, sulfur-monochloride and chlorine. The first two are imported at present from the United States. The last two are local products described above.

(4) Use. The chloracetophenone is to be used in the manufacture of three different types of candles, viz: slow burning tear; fast burning tear; and the CN-DM Irritant. The military employment is expected to be in training and against masses of unprotected personnel.

(5) Construction of Plant. The plant is about 50% completed and is being built by the Lake Erie Chemical Company.

c. Diphenylaminechlorarsene (DM or Irritant Smoke)

(1) Process. The process employed is that developed in the United States.

(2) Capacity. The capacity is estimated at 750 to 1000 lbs. per day.

(3) Raw Materials. The raw materials are imported arsenic trioxide; diphenylamine, also from foreign (U.S.) sources; and hydrochloric acid (local manufacture).

(4) Construction of Plant. The plant is less than 50% completed and is being built by the Lake Erie Chemical Company.

(5) Uses. The DM is to be used for filling CN-DM Irritant candles. The military employment may be expected to be against mobs and Insurrectionists.

9. Filling Plants - The filling and munitions processing plants are two in number, i.e., Candle Factory, and The Shell Filling Plant.

a. Candle Factory - The candle factory is equipped to fill or make four types of candles as follows: 1) HC smoke candle; 2) slow burning CN tear gas candle; 3) fast burning CN tear gas candle, and 4) CN-DM Irritant candle. The plant capacity is 500 to 750 candles of any one single type per day. The construction is about 80% complete and is being done by the Lake Erie Chemical Company.

(1) HC Smoke Candle. This candle is similar to the American HC candle with a Mark I fuze. It probably will be used for training purposes only.

(2) CN Slow Tear Gas Candle. This is munition copied from the American type CN slow burning candle Mark I, with a Mark I fuze, and will probably be used for training only.

(3) CN Fast Tear Gas Candle. This is a fast burning candle with a Mark I fuze, similar in construction to the American fast burning CN candle. It is probably a civil disturbance munition.

(4) CN-DM Irritant. The Irritant candle was described as a copy of the American type and is to be used in serious civil disturbances.

(5) Raw Materials. The Hexachlorethane for the HC candle is obtained from the United States. The fuzes and starter mixture ingredients are also obtained from the United States. The can parts are now purchased from the Lake Erie Chemical Company, but it is expected that the Chinese will set up a factory to make them later.

b. Shell Filling Plant - The shell filling plant is designed to fill about 500 75-mm. (3-inch or 75-mm) shells with Mustard gas per day. The filling system has been copied from that used in the United States during the World War. It is not expected to fill Phosgene, at least not at present. The plant can, however, be changed at relatively short notice of about 30 days to fill airplane bombs and shells of larger calibre. The plant is not more than 50% completed and is being erected by the Lake Erie

Chemical Company. The empty shells are obtained from the Ordnance Arsenal and from Germany.

10. Gas Mask Plant - This establishment is located also at Siaoyi, but not in the gas manufacturing area. The erection is being supervised by German engineers, employed directly by the Chinese government. The machinery is of German manufacture. The projected mask is a cheap snout type mask. No information as to capacity or completion status is known.

11. Laboratory - The Lake Erie Chemical Company is also erecting a control and development laboratory within the gas plant area. This laboratory is equipped with the latest apparatus and furniture, purchased from the Arthur H. Thomas Company (an American Firm). It is nearly completed.

12. Utilities - Electric power equipment (steam driven) is furnished by the British General Electric Company (rating and capacity not known). Water is obtained from two deep wells. The pipe and plumbing work is Chinese.

13. Personnel - The chief operating engineer is expected to be a Mr. Frederick Wu (or Wau), a Columbia educated Chinese. It is rumored that he is to be made a Brigadier General in the Chinese army.

14. Storage Facilities - The storage facilities for the chemical arsenal are limited. It is estimated that only nine days production can be stored.

15. The salient features of the above report were discussed verbally with the American Military Attache, Lt.Col. W. A. Drysdale, at Pekin, who, it is understood, has forwarded the information to the appropriate War Department Office in Washington.

/s/ JAMES W. RICE

JAMES W. RICE
Captain, C. W. S.,
Asst. Department Cml Officer.

CWS 470.6/73-Confidential 1st Ind.

Department Chemical Office, Hq. Hawaiian Department, Fort Shafter, T.H., May 17, 1935. To: The Commanding General, Hawaiian Department, Fort Shafter, T.H.

1. This is a very interesting report and, in my opinion, reflects credit upon Captain Rice's interest in his profession.

/s/ ALEXANDER WILSON

ALEXANDER WILSON
Major, C. W. S.
Department Chemical Officer.

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G-2 Report

6540-Government Production of Military Supplies

CHINA (Military)

Subject: Chemical Warfare Arsenal, Kunghsien, Honan

OFFICE CHIEF OF STAFF MIL. INTEL. DIV. 1935

2331-J-50

RECEIVED G/2 W. D. MAY 6 1935 WAR DEPARTMENT

In 1931 the Ministry of Military Affairs established a Chemical Warfare Arsenal Bureau as a part of the national arsenal administration at Nanking. In 1933, three square li of land was purchased by that Ministry for the erection of a chemical plant which was started in April 1934. This new project is part of the Kunghsien Arsenal but is located several hundred yards south of the Lunghai Railway tracks near Siaoyi, Honan. The main arsenal buildings are about half a mile to the north of the railway line. Construction of the buildings was completed last April and installation of machinery was begun at that time.

Mr. Wu Chia-chun was appointed chief of the chemical warfare plant. Fifteen Chinese and three American chemical experts were employed in the administration of the work. Mr. Muskopf, a former civilian employee of the United States Army Chemical Warfare Service (resigned) at present associated with the Lake Erie Chemical Company of the U.S.A., is acting as construction and erection engineer in chief under contract to the Chinese Government to erect a chemical warfare manufacturing plant. There are five factory buildings, one power plant, living quarters for workmen and a hospital with modern equipment. There are approximately 110 workmen employed at present. In addition, there are over 200 workmen engaged in the construction of a water tower, a boundary wall and two wells for the plant. The power plant is as yet not completed and the electric current from the Kunghsien Arsenal is being used temporarily. The production of chemical agents is expected to begin next October.

The construction of the Chemical Warfare Arsenal is being done by four companies - three American and one German. The following are being constructed:

1. Sulphuric Acid Plant - Mr. Blackwelder, American, engineer in charge.

A subsidiary of the Monsanto Chemical Company is erecting a sulphuric acid plant of about 2000 lbs. per day capacity. The plant is described as a modern Vanadium Catalyst Contact Process. Sulphur is to be obtained from the Texas (United States) field, vanadium through the Monsanto Co. Product probably will be used for liquid smoke (similar to chlorsulfonic-oleum).

2. Chlorine Plant.

A chlorine plant of about 2,000 lbs. capacity per day is being erected by an American firm consisting of modern electrolytic cells. The complete plant has subsidiary processes also, such as (a) a hydrochloric acid plant, (b) liquifying plant for liquid chlorine, (e) and a by product caustic soda refinery. (Note: The salt used is of poor grade and high chemical efficiency is not expected.)

From M/A, China Report No. 9095 April 10, 1935

CHINA (Military)

Subject: Chemical Warfare Arsenal, Kunghsien, Honan

3. Chemical Agents Plants.

The following Chemical Warfare Agents Plants are being erected by the Lake Erie Chemical Company:

(a) Sulphur Monochloride Intermediate Plant. The S_2Cl_2 is made from a solution of sulphur in sulphur monochloride by adding chlorine. Provision for distillation is being made so as to lessen troubles in manufacture of mustard gas. The S_2Cl_2 is an intermediate re-agent for manufacture of C.N. (tear gas), D.M. (sneeze gas) and H.S. (mustard gas). The capacity of this plant is about 1,000 lbs. per day.

(b) C. N. Plant. Capacity 750-1,000 lbs. per day. Same process as used in the United States.

(c) D. M. Plant. Capacity 500-750 lbs. per day. Same process as used in the United States.

(d) H. S. Plant. About 2,000 lbs. per day. Levenstein process. Ethylene from alcohol.

4. Filling Plants - erected by Lake Eric Chemical Company.

(a) Candle Manufacturing Plants equipped to fill and manufacture 500-750 per day of any one of the four following kinds: (1) H.C.; (2) C.N. slow; (3) C.N. fast; (4) C.N.-D.M.

All candles are similar in design to the commercial type manufactured by the Lake Erie Chemical Company, U.S.A. Fuses and components from the Lake Erie Company probably similar to the Mark I (American designation) type. Can bodies procured in China.

(b) H.S. Filling Plant. Capacity for 500-750 75 mm. H.S. shell per day. No provision for other materials.

5. A Control and Development Laboratory as a part of the general work is being erected at this arsenal by the Lake Erie Chemical Company; equipment, modern American.

6. Gas Mask Manufacturing Plant.

This plant is being erected by a German engineer named Sigmund Hofmeister, presumably an employee of the Chinese Government. No data is available concerning the product but the mask is to be of the snout canister type. The machinery is from Germany.

7. Power Equipment (not yet complete) is from the British General Electric Company. Water and sewage by Chinese firms.

Source: Reliable and confidential.

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G-2 Report

6540-Government Production of Mil. Supplies

CHINA (Military)

Subject: Chemical Warfare Arsenal, Kunghsien, Honan.

COMMENTS: The capacities of the various chemical warfare plants are small when considered from the point of view of modern production. The non-lethal chemical agents, C.N. (chloracetophenone) and D.M. (Diphenylamine chlorarsine) are undoubtedly for use against mobs or against poorly organized and equipped communist-bandits.

The H.S. (mustard gas) manufacturing facilities are small at present but it is understood that provision in plant space and power is being made to triple the size of the plant (from 2,000 to 3,000 lbs. per day up to 6,000 to 9,000 lbs. per day).

It is understood that adequate storage facilities are not available, there being space to store finished products for only eight or nine days of the plant's production.

Most of the machinery and spare parts must be obtained from abroad. There is no way at this time for rapid replacements.

Many of the necessary ingredients can only be obtained from abroad. There is no supply of hexachlorethane, aluminium, chloride, vanadium, acetic acid, etc., hence storage space for these must be had.

From the point of view of strategic centralization the arsenal is poorly located, as ingredients must of necessity be transported from the coast to the present plant site over poor transportation facilities.

It is expected that construction will be finished about July 1936, when the operation will be turned over to a Mr. Frederick Wu (Wu Chia-chun) who is to be the operating head for the Chinese Government.

The shell filling plant can be converted to filling 155's, airplane bombs and other munitions in about a week or ten days.

It is expected that a lot of trouble will be avoided in the manufacture of H.S. by distilling the sulphur monochloride before it is sent to the H.S. reactors. Much of the gumming of lines and "wild run" troubles may be stopped by purer S_2Cl_2.

The school for instruction in the tactical employment of chemical agents is being conducted at Nanking (see Report No. 9043, February 13, 1935).

2009-247 / W. S. Drysdale

W. S. Drysdale
Lieutenant-Colonel, Infantry
Military Attache

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1 Legation
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Report

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4410
Arsenals

CHINA (Economic) 6-1

Subject: The Kunghsien Arsenal

RECEIVED G/2 W. D. MAY 6 1935

MAY 7 1935

ADD
MIL. INTEL. DIV.
2331-J-50
34
WAR DEPARTMENT

The Kunghsien Arsenal, located at Kunghsien, Honan Province, under the control of the Arsenal Administration of the Ministry of Military Affairs, is now one of the most important in China with a working force of approximately 3,600 men.

The director of this arsenal, Mai I-k'e, a native of Hwangyen, Chekiang, forty-two years of age, graduated from a technical college in Germany. He has held his present position for more than two years.

This arsenal is composed of the following divisions: Three bureaus - General Affairs Bureau, Works Bureau and Inspection Bureau; Investigation Department; three commissions; the Aide-de-camp's Office, which assists the director in the performance of his duties. The functions of these divisions are as follows:

(1) General Affairs Bureau: Chief, Lu Hsi-yen.

(a) Secretarial Section: taking charge of incoming and outgoing mails and preparing reports.
(b) Accounting Section: handling matters pertaining to finance.
(c) General Office: taking charge of miscellenaous affairs.
(d) Purchase Section: handling purchases of steel, iron, copper, timber and other materials. Both iron and steel are generally bought from Carlowitz & Company, a German firm, and the kind of timber used is from China.
(e) Medical Section: taking care of the sick and supplies of medicine. Medical instruments and medicine are all properly furnished.
(f) Arms and Ammunition Depot: taking charge of safe-keeping of arms and munitions manufactured in the arsenal.
(g) Guard Corps: The arsenal is guarded by this detachment consisting of one battalion of infantry, numbering approximately 400 men.
(h) Radio Station: taking charge of communicating with the Arsenal Administration at Nanking and other military organizations concerning matters relating to supplies of arms and munitions.

(2) Works Bureau: Chief, Kung Chi-cheng.

(a) Drawing Office: taking charge of making different kinds of sketches of arms, munitions and machines.
(b) Arms Mill: manufacturing 7.9 mm. rifles. All the machines in this mill were purchased from the Pratt and Whitney Co., Hartford, Conn., U.S.A. At present the workmen work only eight hours a day and the output is 1800 rifles per month (formerly reported as 1700 per month).
(c) Munitions Mill: The workmen work eight hours a day in this mill. Its monthly output is as follows:

1600 7.5 cm. Krupp shrapnels.
1450 7.5 Krupp high explosive shells.
1450 shells for use in the mountain gun manufactured by the Hanyang Arsenal.

1250 high explosive shells for use in the mountain gun manufactured by the Hanyang Arsenal.
220 shells for use in the Meiji 38th year style (Japanese manufacture) 7.5 cm. field guns.
220 high explosive shells for use in the Meiji 38th year style (Japanese manufacture) 7.5 cm. field guns.
800 Krupp special long shells for use in the 7.5 cm. field guns.
2800 15 cm. high explosive shrapnels.
2800 7.5 cm. shrapnels (small shot).
2000 2 cm. infantry shells.
1220 15 cm. trench mortar shells.
3000 8.2 cm. trench mortar shells.
20,000 grenades with wooden handles.

(d) Iron Works: It formerly manufactured shells, fuses, 8.2 cm. trench mortars, machine guns and pistols. At present it manufactures only the 8.2 cm. trench mortars, with a monthly output of eight in number, and also makes repairs to machine guns.

(e) Power Plant: It furnishes electricity to the whole arsenal.

(f) Material Depot: It stores all kinds of unused materials.

(3) Inspection Bureau: Chief, Pao Hsi-hua.

(a) Material Experimental Office: Makes experiments on copper, iron and steel used for materials in this arsenal.

(b) Arms and Ammunition Experimental Office: Tests all arms and munitions manufactured in the arsenal.

(4) Investigation Department:

The duties of this department are to make studies of the various descriptions of arms and munitions manufactured in foreign countries and also to make improvements in the products of the arsenal.

(5) Examination Commission:

The chiefs of the different divisions in this arsenal are members of this commission. Its functions are to hold periodical examinations of the workmen newly employed so as to decide on their retention or dismissal.

(6) Construction Commission:

This commission was organized in September of last year with the director of the arsenal as its chairman and the chiefs of the different divisions as its members. Its duties are to supervise the construction of the new ammunition manufacturing plant now being erected and the installation of machinery therein. Some of the machinery, formerly

operated in the Lunghwa Arsenal, Shanghai, will be installed in this plant. The other parts of the machinery formerly belonging to the Lunghwa Arsenal were removed to other arsenals in China. The site of this plant is situated in the east of the arsenal. Construction work is expected to be completed this coming autumn. After its completion machinery will be installed and the manufacture of ammunition is expected to be started next spring.

(7) Education Commission:

The functions of this commission are (a) to supervise the conduct of educational activities of the school established for workmen's children in the arsenal; (2) to take charge of the workman's school, the object of which is to improve the technical knowledge of workmen so that they may become more efficient in the performance of their duties.

There is at present a German employed in this arsenal whose duties are to supervise the manufacture of arms and munitions.

Source: Reliable and confidential.

COMMENTS: This report is submitted to supplement the information now contained in the digest. A new ammunition manufacturing plant is being erected and other improvements are planned. In general the output of the arsenal has been improved in quality and at less expense to the Central Government.

W. S. Drysdale
W. S. Drysdale
Lieutenant-Colonel, Infantry
Military Attache

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6 MID
1 File
1 Legation

6-1
OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
2331-J-50

O-2 Report.

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4410
Armaments and Ammunition.33
Arsenals and Factories.
(General)

CHINA (Economic)

Subject: Government Arsenals.

RECEIVED G/2 W. D. DEC 18 1934

The following is a complete list of the arsenals under the direct control of the Central Government with a statement of the output of their principal products:

NANKING ARSENAL: (Anhwei Province)

Rifle Ammunition:

2 to 3 million rounds per month. Maximum capacity 3 million.

Machine Guns:

Approximately 10 heavy type, Maxim machine guns are manufactured per month.

Trench Mortars:

20 manufactured per month.

HANYANG ARSENAL: (Hupeh Province)

Rifles:

Approximately 3,000 per month.

Rifle Ammunition:

3 to 3½ million rounds per month.

Field Guns:

Two 75 m.m. guns are manufactured per month. It is intended to expand the equipment in this department to provide for the manufacture of a howitzer model.

Machine Guns:

About 20 Browning type, water cooled machine guns are manufactured per month.

Powder Factory:

Located near this arsenal is a powder factory which manufactures between 16 and 20 tons of nitro-cellulose powder per month which is used to supplement the supply of foreign purchased powders.

KUNGHSIEN ARSENAL: (Honan Province)

Rifles:

About 1,700 rifles manufactured per month.

From M/A, China. Report No. 8965. November 14, 1934.

CHINA (Economic)

Subject: Government Arsenals.

Shells:

Approximately 10,000 shells, 75 m.m. caliber, are manufactured per month.

Hand Grenades and Aerial Bombs:

About 20,000 hand grenades and aerial bombs are manufactured per month.

TSINAN ARSENAL: (Shantung Province)

This arsenal is only manufacturing about 2,000,000 rounds of rifle ammunition and about 10,000 hand grenades per month.

SHANHAI STEEL PLANT:

This plant is the only steel mill operating in China at present and can produce approximately 6 tons per day. This plant is an adjunct to the arsenals and ordnance administrations and produces a special grade of steel for munitions production.

These arsenals are under the direct control of General Yu, a graduate of Harvard University and a personal protege of Chiang Kai-shek. He exercises personal supervision over the purchasing, manufacturing, organization and research departments of all the arsenals. He is making an earnest and conscientious endeavor to better the quality of the output, improve the installations and methods and to reduce as far as possible the operating expenses and cost of production. It is believed that considerable headway is being made in this respect. Effort is now also being made to discourage the operation of the numerous private owned arsenals throughout China and to consolidate them under the control of the Central Government. With the exception of the Canton Arsenal, all the independent plants are of no great importance and are mostly glorified machine shops capable of repair work only.

W. S. Drysdale

W. S. Drysdale,
Lieutenant-Colonel, Infantry,
Military Attache.

Distribution:
6 MID
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No. 8965

G-2 Report.

4410
Armament and Ammunition.
Arsenals and Factories.
(REPLACE)

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6-1

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
DEC 6 1934
7331-9-30
32
WAR DEPARTMENT

NO. I

CHINA (Economic)

Subject: Hanyang Arsenal.

RECEIVED G/2 W. D. DEC 4 1934

1. Definite Location:

At Hanyang, about two miles up the Han River (on the right bank) from its junction with the Yangtze River. It is above and immediately adjoining the Hanyang Iron and Steel Works (now closed) across the Han River from Hankow, Hupeh Province. It is connected by standard gauge railway with Hanyang Iron and Steel Works and docks on the Yangtze River. Direct water transportation on the Han River for junks and small steamers. Traffic on the Han River is very congested.

2. Political Group or Individual Leader Controlling:

This arsenal is directly under the control of the Director-General of Arsenals of the Nationalist Government.

3. Capacity in:

(a) Small Arms Ammunition:

The present output is approximately 3 million rounds per month. It has, however, a maximum capacity of 3½ millions per month which it can produce under pressure.

(b) Artillery Ammunition:

None manufactured.

(c) Special Ammunition:

This arsenal is producing approximately 10,000 hand grenades per month, 3-in. trench mortar bombs, and aerial bombs of 40, 60 and 120 pounds are being made, the amount unknown.

(d) Pistols:

None being manufactured.

(e) Rifles:

This arsenal is now turning out approximately 3,000 rifles per month of a German type modified Mauser, 7.9 m.m. caliber, model 1898. Of this number a certain proportion are carbines. These rifles are submitted to factory tests prior to issue. It appears to be an efficient weapon.

(f) Machine Guns:

About 20 machine guns of the water cooled Browning type are manufactured per month. These guns are given a final

NO. I

CHINA (Economic)

Subject: Hanyang Arsenal.

test by firing 500 rounds before leaving the arsenal.

(g) Field Guns:

Two field guns of 75 m.m. caliber are being manufactured per month. In addition to the above there are adequate facilities which are being utilized for the repair of field guns.

(h) Fuzes:

None being manufactured.

(i) Canteens:

100 aluminum canteens with felt covers are made per day.

(j) Repair Facilities:

There are well equipped repair shops for rifles, pistols and machine guns.

All guns, rifles, pistols and machine guns are proof tested before leaving the arsenal.

4. Power Plant:

A well equipped central power plant using Westinghouse equipment is comparatively modern. This plant supplies electric light to all buildings in addition to the power for the machinery. The power plant, other facilities and particularly the machinery for the manufacture of artillery are all undergoing enlargement at the present time.

5. Machine Equipment:

In the rifle plant practically all of the machinery is of German make (Ludwig-Loew, Berlin), built in about 1903 or 1904. The same kind of machinery prevails in the cartridge making plant, but here there are also some machines supplied by Nielsen and Winther, Copenhagen. All the machinery in the machine gun plant is of American make, supplied by Pratt and Whitney and Brown and Sharpe. The machinery in the artillery plant is of German, British and United States manufacture.

The machinery is old and obsolete and 20% of the general product is rejected.

6. Personnel:

About 3,000 men are now employed. All are Chinese - (no women). Practically all the workmen have been in this type of work for years and may be considered as being efficient and dependable.

NO. I

CHINA (Economic)

Subject: Hanyang Arsenal.

The rates of pay, although it varies depending upon the class of work, averages about 40 dollars Mex. per month.

7. Material:

(a) Powder and Explosives:

There is a small powder factory located about 3 miles further up the Han River, which manufactures about 16 tons of nitro-cellulose powder per month. The output of this small factory is used to supplement the powder purchased from abroad.

(b) Iron and Steel:

All steel used in the arsenal is imported from Germany. Delivery on these orders is effected at the arsenal.

(c) Copper and Brass:

The majority of these supplies are purchased from the United States.

(d) Gas:

None produced.

8. General Remarks:

An expansion program is now under way which will make this one of the most important arsenals under the control of the Central Government.

The personnel are composed mostly of older type men who have had a great deal of experience in the arsenal. They seem to be interested in their work and very efficient.

The buildings are old and crowded with machinery; lighting arrangements are poor in many of the buildings, and workers carry on delicate operations with the aid of an electric light bulb.

There is also a test range at this arsenal where the small arms are given a thorough test before being issued to the troops.

All completed products of this arsenal are furnished to the various organizations upon receipt of approved requisitions.

The standard of the output has been improved and the cost of production decreased by the relatively more efficient and honest supervision of the present administration.

G-2 Report.

4410
Armament and Ammunition.
Arsenals and Factories.
(REPLACE)

NO. I

CHINA (Economic)

Subject: Hanyang Arsenal.

Source: Personal inspection and official records, October, 1934.

W. S. Drysdale

W. S. Drysdale,
Lieutenant-Colonel, Infantry,
Military Attache.

Distribution:
6 MID
1 File

No. 8959

G-2 Report.

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4410
Armament and Ammunition.
Arsenals and Factories.
(REPLACE)

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
6 DEC 1934
WAR DEPARTMENT

6-1

2331-9-50
31

CHINA (Economic)

Subject: Kunghsien Arsenal.

NO. 11.

RECEIVED G/2 W. D. DEC 4 1934

1. Definite Location (stating transportational facilities):

This plant is located near Kunghsien, Honan Province, on a siding off Lung-Hai Railway; about 35 miles west of Chenghow.

2. Political Groups or Individual Leader Controlling:

This arsenal is directly under the control of the Director-General of Arsenals of the Nationalist Government.

3. Capacity in:

(a) Small Arms Ammunition:

There are no small arms ammunition manufactured at the plant.

(b) Artillery Ammunition:

There is at present about 10,000 rounds of artillery ammunition being manufactured per month. The greater percentage of this number being those of 75 m.m. caliber.

(c) Special Ammunition (trench mortar, gas, etc.):

There are approximately 20,000 hand grenades and aerial bombs being produced per month.

(d) Pistols:

None being manufactured.

(e) Rifles:

Approximately 1,700 rifles are being produced per month. They are of 7.9 m.m. caliber. In addition to the regular equipment for the manufacture of rifles, there is also a section where rifles and pistols are sent for repair.

(f) Machine Guns:

None manufactured.

(g) Field Guns:

None manufactured.

(h) Special Weapons:

None manufactured.

From M/A, China. Report No. 8957. November 6, 1934.

G-2 Report.

4410
Armament and Ammunition.
Arsenals and Factories.
(REPLACE)

CHINA (Economic)

Subject: Kunghsien Arsenal.

4. Power Plant:

The machinery installed in this plant is American made (1929) and capable of developing 4,000 H.P.

5. Machinery:

American machinery by Pratt and Whitney was completely installed in February 1929. The bomb-making plant has machinery which was furnished by Nielson and Winther, Copenhagen.

6. Personnel:

Huang Pi, a graduate of a Japanese industrial university, is director and controls three departments: labor, examination and general affairs. Mechanics are Chinese only: number employed in rifle factory 1,000, 900 in projectile factory; 800 in machine shop and 200 in power factory.

7. Material:

Powders are now purchased from Germany. A small but insufficient amount of powder is also secured from a small powder factory located near Hankow to supplement that purchased abroad.

8. Remarks:

Formerly rifles were badly bored and did not shoot well because the rifling was badly done. The quality of the rifles, since these complaints, has been greatly improved during the last two years under the present management.

The cost of production has been reduced and the quality of all the output of the arsenal has been improved due to the more efficient management and more honest supervision of the present Director-General of Arsenals and his German advisers.

Source: Personal inspection and official records October, 1934.

W. S. Drysdale

W. S. Drysdale,
Lieutenant-Colonel, Infantry,
Military Attache.

Distribution:
6 MID
1 File

NO OBJECTION TO
UNLIMITED CIRCULATION

4390
Manufactures
Lime or Cement

G-2 Report

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.

4-1

CHINA (Economic)

MAY 9 1932
2331-J-54

Subject: Cement Industry in China

WAR DEPARTMENT
RECEIVED G/2 W. D. MAY 9 1932

The use of cement in China compared to that of other countries is indicated by the fact that whereas the average consumption (for the years prior to the world depression) was about 500 pounds per capita in the United States and 130 pounds in Japan, it was but 3 pounds in China.

Cement was introduced into China in the 19th century during the early days of foreign trade, but the conservatism and ignorance of the people were responsible for the little attention paid to its possibilities.

The first attempt to manufacture cement in China on an appreciable scale was in 1906 when the Chee Hsin (also Kee Hsin and Chi Hsin) Cement Company started its plant at Tongshan, Hopeh, followed in 1908 by the Imperial Government which established a plant (now long since inactive) at Canton. Since then a number of plants have been built and operated in various parts of China. The more important of the inactive or abandoned plants are the old Imperial Government plant at Canton mentioned above; the Tsinan Cement Co. at Liangchiawan near Tsinanfu, Shantung; the Liu Ho Kou Cement Works at Fenglochen, Honan; the Tayeh Cement Works at Hsihuiyao, Tayeh, Shantung (see Hwa Kee Hupeh Cement Works below); the Shantung Cement Works (originally a German concern, later Japanese) at Tsangkow near Tsingtao; and the Ta Hu Cement Co. at Wusih, Kiangsu (there is some possibility of the plant being re-built and operated).

Below is given a brief survey of each of the five Chinese plants now operating and also of the Dairen (Japanese) and Hongkong (British) plants:

1. Chee Hsin (Ch'i Hsin) Cement Co. The works of this concern are situated at Tongshan, in the province of Hopeh, on the Peking-Mukden Railway, 74 miles northeast of Tientsin and 91 miles from the port of Chinwangtao. In the beginning the company (1906) had great difficulty in collecting enough capital to increase its output, but later it was more successful and in 1910 was able to take over the Hwa Chi Hupeh Cement Works at Tayeh, thereby increasing its capital to $7,000,000, and its annual capacity to 600,000 barrels (of 376 lbs.), further increased to 1,400,000 barrels in 1922. The company has recently increased its capital to $14,000,000, and extensions are being made to the works with a view to raising its capacity to 1,700,000 barrels (i.e., about 5000 barrels daily).

Limestone is available in the immediate vicinity of the works. A small amount of gypsum is used, which is imported at about $12 to $13 per picul (about 133 pounds).

2. Hwa Chi Hupeh Cement Works. These works are situated at Shi Hui Yao, Tayeh, and were originally known as the Tayeh Cement Works. The plant was erected in 1910 and is equipped with German machinery. After being operated for some years at

CHINA (Economic)

Subject: Cement Industry in China

a loss, this factory was leased for 20 years to the Chee Hsin Co., under the name of Hwa Chi Hupeh Cement Works, the re-organized company being entirely financed by the Chee Hsin concern. This lease now has been extended indefinitely.

Suitable limestone, clay, and gypsum are abundant in the vicinity.

No extensions have been made to the concern, and its daily production averages 600 barrels, sold in Hunan, Hupeh, Kiangsi and other upper-Yangtze provinces through the Hankow branch of the company.

3. The Shanghai Portland Cement Co. The Shanghai Portland Co. was founded in 1921, with a capital of $1,200,000, which was increased to $1,505,100 in April 1928 and to $1,638,600 in April 1931. The factory is located on the Whangpoo River at some distance from Lunghwa Station.

The plant is well equipped with German machinery, costing more than $500,000. Limestone comes from Chenwanshan, Huchow, Chekiang Province, some 200 miles away; clay from Zushan, Sinkiang; and gypsum from abroad. The cost of quarrying and transporting limestone to the factory is put at $2.50 per ton.

The plant has an average daily output of 1000 barrels. Kiangsu and Chekiang are the chief markets.

4. China Portland Cement Co. This company's works are located at Lungtan, on the Shanghai-Nanking Railway, near Nanking, and started with an initial capital of $1,000,000, well equipped with German machinery in charge of a foreign expert, formerly engineer at the Tayeh Cement Works. Operations were started with a 50-meter kiln, having a daily output of 500 barrels.

In 1928 the company increased its capital to $2,000,000, purchased the machinery formerly belonging to the Ta Hu Cement Works, Wusih, and erected new works, raising the daily output to about 1000 barrels.

The product of this concern is sold in the Yangtze provinces and consists of two qualities - Portland and "special" or "quick" cement. This plant has a favorable location near stone and clay deposits, and ample transportation facilities by canal and railway.

5. Kwangtung Se Chuan (Hsi Chuang) Cement Works.(This plant is also called the Kwangtung Provincial Cement Works.)

Owing to the great demand for cement in the construction of the Canton-Hankow Railway, the Ministry of Railways proposed that a new factory be built by the Kwangtung Provincial Government. Plans were completed early in 1929, and it was arranged that the new works be operated on a capital of 1,935,420 Hongkong dollars. Danish machinery was ordered in May 1929. Work was started again, including re-enlargement of the original

CHINA (Economic)

Subject: Cement Industry in China

plant to provide for a daily output of 12,000 barrels a day, making it the largest cement plant in China. The plant is scheduled to start operation some time in April or May 1932. As even this output will not supply the South China demand, plans are being investigated with a view to tripling the daily output. At the present time Danish engineers are in charge of the plant.

Green Island Cement Works. Two cement plants are operated by the Green Island Cement Co., a British corporation operating under a Hongkong charter. One of these plants is situated at Kowloon, just opposite Hongkong, while the second is at Green Island, Macao, about 40 miles from Hongkong. This is the original works from which the company takes its name, and was established in 1886 with a capital of $3,000,000. Hongkong

The Green Island plant consists of five vertical kilns with machinery of English make, and the average daily production is about 400 barrels.

The Kowloon plant has two units, one of old type, consisting of vertical kilns, and one new unit of four rotary kilns each 80-ft. long. British engines and machinery are in use. The daily capacity is about 2,000 barrels. A new plant has been installed by Vickers, Ltd., costing some £200,000, which is estimated to give an annual output of 1,200,000 barrels with an output of rapid-hardening cement of from 60,000 to 90,000 tons a year.

Onoda Cement Co., Dairen Plant. The Onoda Cement Co. is one of the largest concerns of its kind in Japan. The Dairen plant was established in 1911 with a capital of 31,000,000 yen, and the annual capacity increased from 200,000 barrels to 650,000 barrels in 1923, and to 1,500,000 barrels in 1928. It is understood that in 1929 the plant produced 1,215,441 barrels.

Cement finds its largest market in China in the province of Kwangtung, where many important and modernized cities are located. Canton, Lappa, Kongmoon, Swatow, Samshui, Kiungchow and Pakhoi absorb 1,500,000 piculs a year, equal approximately to half the total importation of cement into this country. Shanghai and district form the second largest market in China for cement. The Three Eastern Provinces come next to Shanghai in regard to demand for cement. Dairen, Yingkow, Shenyang, Antung, Changchun, Harbin, and other large cities all use this modern building material in large quantity.

The annual amount of cement imported into China exceeds 3,000,000 piculs (actual figures of import are not available). If the construction of the Canton-Hankow Railway is proceeded with the output of the Canton cement plant will be absorbed. If not, its output should be more than enough to supply the demand creating the usual import.

For and in the absence of the Military Attache:

Parker G. Tenney

(Unless otherwise indicated amounts given herein are Mex.)

Parker G. Tenney
Captain, Field Artillery
Assistant Military Attache

HSA

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OFFICE CHIEF OF STAFF
Executive Division
Mil. Int. Branch

JAN 29 1920

2657-S-14

NOTED:

WAR DEPARTMENT
M. I.-10

SUBJECT BOYCOTT ON JAPANESE GOODS IN NANKING.

From H.A. - Political.

No. 2203 Date, 19

Replying to No. Date NOV 20 1919, 19

REC'D, M. I. Br.

"63 - Alien".

1. The attached list shows the effects of the Chinese boycott for the months of June and July on the imports of goods of Japanese origin into Nanking.

Binding Margin.

COMPARATIVE TABLE OF PRINCIPAL ARTICLES OF JAPANESE ORIGIN

IMPORTED DURING JUNE AND JULY 1918 and 1919.

Description of Goods	Quantity	1918		1919	
		June	July	June	July
Shirtings, Grey, Plain	Pieces	11,400	13,550	320	...
" White, "	"	310	300	...	...
Sheetings, Grey "	"	380	160	...	...
Drills	"	660	1,610	...	...
Jeans	"	600	4,020	...	...
T-cloths	"	4,960	6,810	1,000	...
Turkey Red Cottons & Dyed T-cloths	"	180	360	...	...
Flannellettes, Plain, Dyed or Printed	"	82	79	...	...
Cotton Yarn	Piculs	1,031	443	...	...
Copper Ingots and Slabs	"	...	...	...	...
Coal	Tons	...	1	...	...
Match-making materials: -	Piculs	42	63	12	6
Labels	"	42	63	12	6
Phosphorus	"	42	15	...	...
Potash, Chlorate of	"	42	42	...	...
Wood Shavings	"	465	195	...	...
" Splints	"	974	532	1,252	...
Unclassed	Value	...	210	60	...
Porcelain-ware	"	916	912	530	...
Soap, Toilet and Fancy	"	534	2,027	444	...
Tooth Powder & Paste	"	504	299	...	...
Umbrellas	Pieces	48	...	...	...

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OFFICE CHIEF OF STAFF
Executive Division
Filing Branch

2657-D-15

JAN 20 1920

WAR DEPARTMENT

SUBJECT CONDITION OF AFFAIRS BETWEEN NORTH AND SOUTH.

From H. A. POLITICAL

No. 2255 Date November 23rd., 19

Replying to No. Date , 19

REC'D, M. I. B., O. C. S. DEC 29 1919

POLITICAL--- 17.

Copy of letter recently received at American Legation.

Sir:

With reference to my telegram of Oct 30th , 6 p.m. I have the honor to report that I proceeded to Changchow , the seat of the Southern military Government in South Fukien, on Tuesday the 28th of Oct. , and was received on Wednesday morning the 29th , by General Chen Chiung Ming, the commander in chief of the Southern forces in Fukien .

I explained to General Chen that much concern was being feltv at Peking over alarming reports that the Southern forces were preparing for an attack in Fukien. G neral Chen replied that there was no fighting going on in this province between the Northern and Southern forces and that there had been no fighting since the armistice.

I then informed General Chen of the statement made to the Legation by the Premier that he was experiencing difficulties in controll- the Northern forces and leaders on account of these alarming reports and of his profession of anxiety to prevent a break between the North and South and of his request for the good offices of this Consulate in urging the Southern leaders that they do not force the situation by their military activity.

General Cheng then stated that both he and General Li Hay Chi, the (northern) Tuchun and acting Civil Governor of Fukien , desired no resumption of fighting ; that there was no undue military activity on the part of the Southern forces , and indeed none on the part of the Northern forces of which he could complain . The armistice was being observed and unless the peace negotiations failed and he received orders from Canton for the resumptions of hostilities , there would be no fighting . He further expressed the opinion that both the North and South were exhausted and that the leaders on either side were not desirous of resuming hostilities .

I then mentioned to the General that I had reports of both Northern and Southern troops being sent to strengthen their lines in the neighbourhood of Kuan Ch'iao P'u, but while I put the matter to him in several different ways and at several times during our interview he avoided a direct response , saying that General Kao commanding the Northern forces in that section , and he, were on friendly terms and that there would be no fighting unless general hostilities were resumed by the Southern Government at Canton.

I expressed to General Chen the hope that the differences between the North and South might soon be arranged , and that the friends of China would view with much regret any further fighting , or any outbreak which might further complicate the efforts being made for a permanent peace . I also explained to him that the Consulate was quite disinterested in the matter and that my interview with him was for the purpose of bringing to his attention in a friendly way the sentiment as expressed in Peking, in the hope that the situation in Fukien might not be forced by any undue military activity.

Binding Margin

SUBJECT CONDITION OF AFFAIRS BETWEEN NORTH AND SOUTH.

From H. A. POLITICAL

No. 2255 Date November 23rd 1919., 19

Replying to No. Date, 19

REC'D, M. I. B.

General Chen expressed his appreciation of the friendly interest shown by the Legation in the effort of the North and South to arrange their differences , and of the friendly attitude consistently shown to China and her problems by the American Government .

He then turned to the aims of the South , emphasizing that the one point in the whole matter was the return of the Government to the people by the restoration of the Constitution .

General Chen was quite friendly and courteous during our interview .

The balance of my time was spent in Chengchow endeavouring to to get some ~~xxxxxx~~ accurate idea of the exact situation there. The city is full of soldiers , who appear to be under rigid discipline -- although poorly paid -- and to be constantly drilling . Evidently the men are kept at drill for 6 or 8 hours daily ; and it is quite apparent that a number of the men are mere recruits .

The morale of the Southern forces--the regular forces-- is said to be excellent.

I was unable to obtain any information to confirm any heavy troop movements through Changchow toward the Kuan Ch'iao P'u district-- and the main road to that district would be through Changchow. There was no evidence of any activity in moving military stores ; traffic on the river is normal , no boats having been commandeered for military purposes ; and there is no show of preparations for the resumption of hostilities .

The only explanation offered of troops movements to the Kuan Ch'iao P'u lines is that with the cooler weather troops withdrawn during the summer were resuming their positions . I am inclined to accept this as in a large measure , the probable situation , and that the movement of these troops to their old lines is what gave rise to the reports of massing of troops .

The military government has apparently given itself over largely to public improvements in Changchow , and the evidences of their activities in this direction is everywhere apparent and merits commendation. A large well arranged and well kept public garden has been established in the center of the ~~xxxxx~~ city ; public markets and a slaughter house have been erected; the city wall is in many parts being torn down to make way for further improvements ; a segregated prostitute district has been established ; streets are being widened ; new and substantial buildings being erected ; and the city is well policed and kept clean. Americans residing in Changchow are very flattering in their commendation of the activities of General Chen in this direction. The progress indeed merits special notice . Funds are made available by taxation , and while this is felt to be heavy the people are seeing actual results being obtained and seem perfectly content, being apparently convinced of the good intentions of the Southern Government.

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SUBJECT CONDITION OF AFFAIRS BETWEEN NORTH AND SOUTH.

From H. A. POLITICAL

No. 2255 Date Nov. 22nd 1919.

REC'D, Ward B. O. C. DEC 29 1919

Replying to No. Date

As indicative of the attitude of the people -- who are usually prone to leave the sphere of possible hostilities on the slightest indication of fighting -- it is to be noticed that there is no exodus from Changchow and business is being carried on normally.

Concerning the "alarming reports" reaching Peking of military activity on the part of the South, General Chen Chiung Ming ascribed these reports to the preparations being made at Canton for the possible resumption of hostilities in the event of the complete break-down of the peace negotiations.

I am of the firm opinion, as expressed in my several telegrams to the Legation, that there is no indication of preparations for any immediate or early resumption of hostilities in Fukien Province. The Southern forces are well known to be short of ammunition, and while there undoubtedly is some renewed activity -- with the cooler weather and discouraging reports of the progress of the Peace Conference at Shanghai -- looking to training of troops, this activity is not to be regarded as unusual or likely to provoke a resumption of hostilities.

I believe that the reports of the Northern military leaders to Peking are purposely being colored in order to force the payment of the Northern troops (with the exception of the Chekiang forces with the North, whose pay is generally fairly up-to-date, being provided out of the Chekiang provincial treasury). The morale and discipline of the Northern forces, according to my observations, is much lower than that prevailing in the Southern lines. The Legation is aware that forces of Chekiang troops have from time to time gone over to the South; there have been recent reports of desertions of small units to the Southern side; and the attitude of the Chekiang leaders and troops has at times been considered as not unfriendly to the Southern cause. It is probably for this reason that the Chekiang troops alone do not hold any particular line, being usually brigaded with Northern (Shantung and Chihli) men."

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Executive Division
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2657-I-16

JAN 30 1920

WAR DEPARTMENT

SUBJECT JAPANESE MILITARY ADVISOR

From H. A. POLITICAL

No. 2256 Date November 24th 1919., 19

Replying to No. Date , 19

REC'D, M. I. B., O. C. S. DEC 29 1919

Foreign-- 59

Copy of report recently received at American Legation, Peking .

" The Shanghai gazette of Oct. 30th contained a news item , stated to have been gleaned from an unnamed Japanese paper , to the effect that the Japanese were greatly gratified by the engagement of a Japanese military advisor at Nanking. At the Japanese Consulate on the occasion of the Emperor's birthday celebration on Oct 31st , I met Captain Taga who was introduced as the military advisor to Tuchun Li Shun , and was quite evidently being treated with special deference by all the Japanese present . As a result of subsequent questions I have been given the following explanation by one of the Tuchun's advisors ; Captain Taga was for a period of 10 years employed by the Chinese Government as an instructor in a military school in Peking, and during the early days of Ex-President Feng Kuo Chang's incumbency as Kiangsu Tuchun , was assigned to the latter's staff as military advisor his stipend being paid by the Central Government. This arrangement has been inherited by Tuchun Li Shun and is one that has caused him no little annoyance , since he cannot dismiss Captain Taga without involving the Central Government in another difficulty with the Japanese, He has endeavoured , however , to mitigate the situation by not permitting Captain Taga either to live or have a regular office in his yamen and by giving him no duties to perform save those of interpretor on the occasions of the visits of prominent Japanese. Captain Taga is not content with this arrangement and frequently endeavors to pry into the Tuchun's plans and to force his advice upon him. As his presence is so unwelcome the Tuchun is only too willing to grant him extensive summer vacations , and it is from one of these which commenced last April , that Captain Taga has just returned . I understand he has brought to the Tuchun and to the latter's wife a number of unusually handsome gifts.

This full explanation is reported as given , since it is probable that the Japanese controlled press will endeavor to present the facts in a very different light

During several recent interviews the general situation has been discussed at length with the Tuchun , and it is thought best to report the gist of his statements for the Legation's information.

When questioned as to the repeated reports that he would act as the Northern party's delegate to the Peace Conference he stated that while he is doing his uttermost to bring about a lasting peace between the North and South, he has at present no intention of personally acting as a delegate.

In reply as to when and how such a peace is to be brought about he has made the following general statement:

Binding Margin

2

SUBJECT JAPANESE MILITARY ADVISOR

From H. A.

No. 2256 Date November 24th 1919, 19

Replying to No. Date, 19

REC'D, M. I. B. C. S. DEC 29 1919

Tuchun Li Shun's Views on the general situation Continued.

1. The politicians who can only talk indefinitely and to no point have already been given adequate time and have clearly shown that no solution can be hoped for from them. It is now time therefore for these men in China who hold in their hands the power and means of effectively enforcing peace to subordinate their petty personal differences and to combine on some practical plan of unification that will bring permanent peace to the entire country.

2. Two great obstacles to a lasting peace are constituted by a constitution that is utterly inadequate for the existing needs of the nation and the existance of two parliaments neither of which any longer represents the will of the people. Both of these obstacles must be removed . A truely representative parliament must be elected and a suitable constitution must be framed and adopted.

3. No effective action can be taken until Premier Chán has been confirmed and his cabinet formed.

4. These politicians and leaders who have been guilty of selling their country for gold are now well known to all Chinese citizens, and the hatred of their dastardly conduct is growing with such rapidity that their days of power cannot continue indefinitely.

IMPENDING VISIT OF PRINCE TOKUGAWA and Mr OKURA.

It is reported that Prince Tokugawa and Mr. Okura will shortly visit Nanking and will avail themselves of the opportunity to endeavor to extort ofrom the Tuchun an endorsement of their ambitions as regards the Feng Hwan Shan mining property.

Binding Margin

Number of copies 3

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OFFICE CHIEF OF STAFF
Executive Division
Mil. Int. Branch.

22657-D-17

JAN 20 1920

WAR DEPARTMENT

SUBJECT POLITICAL RELATIONS AND CONDITIONS.

From H. A. POLITICAL

No. 2243 Date November 13th 1919, 19

Replying to No. Date, 19

REC'D, M. I. B., O. C. S. DEC 29 1919

FOREIGN----- 59

Extract from report recently received at American Legation.

" I have the honor to report that, in connection with Chinese functions having to do with my departure for my new post at -----, I have taken advantage of opportunities presented to indulge in exceptionally serious conversations with Mr Tong Shao-yi, Dr. Sun Yat-sen and other foremost Chinese regarding the future of this country and with reference to its relations with Tokyo, Washington and other capitals.

These conversations have been entirely unofficial and informal, but have been possibly, more earnest than on previous occasions, owing to the fact that I am about to leave the country.

Mr Tong feels that it is imperatively necessary for the Southern party to proceed to adopt the Constitution, which has already had two readings at the Temple of Heaven, in Peking, and which should be ready for final submission to China and to the Powers at a third reading, which he proposes should be at Canton in the immediate future. Owing to the large number of representatives, he feels that it is difficult to bring about the desired result, but he states that he is laboring to that end by the exertion of all of his energies.

Mr Tong desires, for the purpose of arranging internal affairs in China, that the Constitution should not contain clauses regarding the election of the President, Vice President and Premier, his aim being to launch the constitution as a definate accomplishment for the approval of the loyal Chinese and for the consideration and approval of the United States government and of other governments

After the adoption of the Constitution by the Old Parliament and the Southern Party in China, Mr. Tomg hopes that the Peking authorities will come forward with suitable views and action relative thereto, to the end that in a compromising sense, the secret loan agreements with Japan may be validated, in order to avoid international complications, and that, as being still more important, the secret military agreements may be properly dealt with. In his opinion, the same being shared by his following, the secret military agreements made by the Chinese military usurpers at Peking, in a practical sense, constitute procedure for the carrying into effect of noxious Article Five of the Twenty-One Demands.

Binding Margin

SUBJECT POLITICAL RELATIONS AND CONDITIONS

From H. A. POLITICAL

No. 2243 Date November 13th 1919, 19

Replying to No. Date, 19

FOREIGN------ 59

He is of the opinion that not only the great body of the Chinese will oppose this scheme to the point of force, but that the Powers, as a general rule, will oppose the same. He insists that the Japanese are introducing Japanese officers into the Chinese armies of the North and that the original plan of controlling China through a military force is steadily being carried forward.

Dr Sun Yat-sen maintaind, in a practical sense, views similar to those expressed by Mr. Tong Shao-yi; although Dr. Sun feels that the military forces at his command are quite sufficient to cope with the Northern military usurpers and to suitably defend the cause of the South, in case it becomes absolutely necessary to resort to force. Because of this attitude on the part of Dr. Sun, Mr Tong does not hesitate to intimate, in a confidential and private sense, that Dr. Sun is something of an autocrat himself.

My conversations with both Dr. Sun and Mr Tong have included references to the practicability of either or both of them proceeding to Washington and to Europe for the purpose of stating the situation as they express it and with a view to advancing plans for a stable government in this country, including financial and military reforms.

It seems quite likely that either or both of these gentlemen will work out, in the near future a plan of procedure with reference to a world trip on behalf of China's welfare; and in connection therewith, I have inquired if they would have the assistance of any of the strong Chinese of the North, in Peking. It seems probable that they may reach an understanding with Tuan, to the end that China may not be dominated by Japan through military and constabulary influences.

Although Mr. Tong feels that it would be almost hopeless to go abroad without first having the Southern party and the Old Parliament complete the constitution, it would seem that Dr. Sun is ready to consider proceeding with China's internal affairs remaining as unsettled as they are at the present moment.

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SUBJECT POLITICAL RELATIONS AND CONDITIONS

From H. A. POLITICAL

No. 2243 Date November 13th 1919, 19

Replying to No. Date, 19

FOREIGN ------ 59

I am satisfied that both Mr Tong and Dr. Sun are negotiating , in a serious sense , with foremost Chinese at Peking. I am also satisfied that the growing spirit of patriotism and national pride among the great body of Chinese will result in ultimate violent opposition to further extended interference in the internal affairs of China on the part of its nearest neighbour, Japan, as heretofore exemplified by the activities of the Japanese military party in its relation with the Chinese military party at Peking.

Nevertheless the Japanese Consul-General here, who has had a number of conversations with Mr Tong and other prominent Chinese , with a view to reflecting their views to Tokyo, reiterates that, under the present Japanese Cabinet there is no interference with China's internal affairs on the part of the Japanese military party . Mr Tong, to whom the Japanese Consul-General also has made the above statement , pronounces such utterances to be mere nonsense; and that, as a matter of fact , the Japanese military party is systematically advancing its military schemes in China, and, as indicated above , with the ultimate ambition to put into effect the plan contemplated under Article Five of the Twenty-One Demands."

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OFFICE CHIEF OF STAFF
Executive Division
M.I. Intl. Branch.

JAN 30 1920

2657-I-20

JM

WAR DEPARTMENT

1

SUBJECT MONTHLY REPORT FOR NOVEMBER.

From H. A. POLITICAL

No. 2269 Date December 3rd 1919., 19

Replying to No. Date JAN 24 1920, 19

POLITICAL---[illegible]--- 17

REC'D, M. I. B., G. S.

CHINESE TROOP MOVEMENTS TO OUTER MONGOLIA

The Northwest Defence Frontier Bureau, formerly the War Participation Bureau , continued despatching troops to Outer Mongolia during the month of November. The Chinese are very secretive regarding their troop movements , and it is very difficult to get any definate and reliable data regarding their military operations , but I believe we are justified in reporting that it is the Third Division of the former War Participation Bureau that has been ordered to proceed to Urga; that by the end of November probably 3,000 Chinese troops had actually arrived and taken station in Outer Mongolia,2,500 of these at Urga , 500 at Maimachen - across the river from Kiakhta--, 150 at Uliassaitai. The 8th Regiment, part of the 3rd Division , is now under orders to proceed to Urga , but it is doubtful whether this order will be carried out , due to the severe cold and the usually heavy snowfall in Mongolia, which makes the movements of troops very difficult.Even Chinese troops accustomed to great hardships, would hesitate before they undertook a journey of about 600 miles across the bitterly cold windswept plains of Mongolia.

The entire Expedition is controlled by General Hsu Shu Cheng, commonly known among the Chinese as "little Hsu"

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SUBJECT MONTHLY REPORT FOR NOVEMBER

From H.A. POLITICAL

No. 2269 Date Dec. 3rd 1919.

Replying to No. Date

POLITICAL---- 17.

CANCELLATION OF AUTONOMY IN OUTER MONGOLIA.

The occupation of Urga by Chinese troops was followed almost immediately by negotiations between the Chinese and Mongolians for the cancellation of the autonomy of the Urga Government. The Mongolians, due to recent events in Russia were willing to concede in a certain measure to the requests of the Chinese, but refused to sign an agreement permitting the cancellation of the autonomy of their government. Latest reports from Urga state however , that the Chinese surrounded the residence of the Living Buddha, and actually took over control of the government , including the customs, while the Living Buddha and his prime minister were virtually prisoners. From personal conversation with the advisor to the Mongolian government I was informed that the Mongolians were unable to resist the Chinese in their demands , and finally capitulated and agreed to the cancellation of the autonomy of the Urga government. The mandate by the prewident was issued during the latter part of November , cancelling the autonomy of Outer Mongolia and again bringing Mongolia completely under Chinese control ; this apparently in direct disregard of a treaty between China and Russia guaranteeing the autonomy of Mongolia.

The Russian Legation has entered an official protest against the action of the Chinese government . A semi-official report from the Chinese foreign office is as follows:

That Outer Mongolia is one of the five divisions forming the Chinese Republic, that the cancellation of the autonomy by the Urga government and the nullification of the Russo-Mongolian treaty at this time are the result of losses sustained by Outer Mongolia, in consequence of the incessant troubles in Russia, which have made both parties unable to abide by the original agreements and treaties . Under such circumstances the Chinese government believes these international agreements have automatically lost their force, but that the Chinese government will follow the allied precedent and enter into commercial treaties with Russia after the internal troubles have ceased.

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SUBJECT MONTHLY REPORT FOR NOVEMBER

From H. A. POLITICAL.

No. 2269 Date December 3rd 1919., 19

Replying to No. Date, 19

FOREIGN — 59

JAPANESE OUTRAGE AT FOOCHOW.

On the 17th of November, a telegram was received from the American Cónsul at Foochow to the effect that armed Formosans and Japanese had assaulted Chinese students, severely injuring six students and one policeman; that the armed Formosans and Japanese had afterwards entered the Y. M. C. A. Building. The telegram stated that this assault was without justification. It must be kept in mind in this regard that the anti-Japanese boycott has continued throughout the south, and particularly in Fukien Province, since the announcement that the former German rights in Shantung reverted to the Japanese. There is no question but what this boycott in Fukien Province is seriously affecting Japanese trade there, and that if it continued much longer, it will cause the bankruptcy of numerous Japanese firms. The Japanese are naturally greatly angered at the continuance of this boycott, and the attack of the armed Japanese and Formosans on the Chinese students is undoubtedly an attempt on the part of the Japanese and Formosans to frighten the Chinese into stopping the boycott.

Immediately after the incident resulting in severely injuring several of the Chinese students, two of whom are reported to have died, the Japanese despatched war ships to Foochow. Marines from these war ships were landed in the foreign concession at Foochow, and afterwards were actually marched into the Chinese city without the consent of the Chinese authorities and obviously in direct disregard of the wishes of the Chinese in the matter. To make this matter clear, it must be kept in mind that these Japanese marines actually invaded territory of a friendly neighbor, in disregard of the wishes of the officials of the Chinese Government who have entered an official protest to the Japanese Legation at Peking, demanding the withdrawal of these troops, the removal of the war ships, and a thorough investigation of the incident. The Japanese Legation replied that the presence of these troops was justified in the Chinese city because of the Japanese boycott, and that they would remain there until the Chinese government guaranteed to remove effectively the boycott restrictions. It must be kept in mind that the boycott is a popular demonstration by the people of China as a protest against what they term "Japanese aggressions", and that the Chinese government can in no way control this boycott effectively.

This incident has tended to futher antagonize the Chinese people against the Japanese and will result in a tightening of the boycott, and it is doubtful whether the Chinese government will be able to control the movement, even should it desire to do so. The Fukienese residing in Peking, when news of the

Foochow

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SUBJECT MONTHLY REPORT FOR NOVEMBER

From H. A. POLITICAL

No. 2269 Date December 3rd 1919., 19

Replying to No. Date, 19

FOREIGN ---- 59

Outrage at Foochow contd.

Foochow incident was made known, held a meeting at the Foochow guild and unanimously adpoted resolutions requesting the Chinese government to enter a vigorous protest to the Japanese, demanding the removal of the Japanese Consul at Foochow. On the 29th of November what may conservatively be estimated as 10,000 Chinese students paraded the streets of Peking as a protest against the Japanese outrage at Foochow. Similar demonstration are reported from various places throughout China. The students carried banners inscribed with such terms as, "Is Japan to Seize Fukien as well as Shantung?" "Our fellow-students have been slaughtered in Foochow". "Let us not be slaves." "Tell everybody what happened at Foochow." Let us never forget Foochow."

On November 30th the Fukienese held another meeting in their guild at Peking, and unanimously passed the following resolutions:

1. The Japanese war ships must be withdrawn from Foochow.
2. The Japanese government shall offer apologies to China
3. The present Japanese consul at Foochow shall be dismissed.
4. The Japanese ringleaders and those who killed and wounded the Chinese in the fracas shall be duly punished.
5. The Japanese shall give due compensation for the killed and wounded, as well as for damage done to Chinese property.
6. The Japanese government shall guarantee that hereafter no Japanese residing in Foochow shall carry arms or repeat such outrageous action.

The students further decided to immediately start the publication of an organ by the Fukien students in Peking in order to give proper publicity to the real facts in connection with the Japanese outrage at Foochow, second, that a citizen convention shall be called in Peking immediately; third, the Fukien students will elect a representative to proceed to their native province, in company with the representative elected by the Fukienese in the capital.

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SUBJECT MONTHLY REPORT FOR NOVEMBER.

From H. A. POLITICAL.

No. 2269 Date December 3rd 1919., 19

Replying to No. Date, 19

POLITICAL — 17.

DISAGREEMENT BETWEEN THE NORTH THE SOUTH.

No actual fighting had taken place by the end of November between the northern and southern troops. Local disturbances in Shensi and Hunan have been reported. These, even if true, would indicate only a local disturbance due to local political conditions. We are very reliably informed, however, that both the northern and the southern troops are mobilizing in the province of Hunan, where there are now gathered probably a quarter of a million men. Should fighting actually resume, Hunan would be one of the most important theaters of operation. Both the North and the south probably have over 100,000 troops mobilized in the locality and ready to begin operations when the peace negotiation between the North and the south are definitely stopped.

PRIME MINISTER FAILS TO FORM NEW CABINET.

During the month the newly nominated prime minister, Chin Yun-peng, working with the President and apparently assisted by Marshal Tuan Chi-jui, attempted to form a new cabinet which they hoped would be the basis of a reconciliation between the North and South. It was apparently the prime minister's idea that after the formation of this new cabinet the Parliament in Peking, as well as the Parliament in Canton, would be abolished, and a new cabinet would be formed which would represent both the North and the South. Certain nominations, particularly that of Cho Tse-chi as Minister of Finance, were energetically opposed by the Anfu Club. The opposition from the Anfu Club was sufficient to prevent the nomination of the Cho Tse-chi and two other members of the proposed new cabinet, thus defeating the ideas of the prime minister. It is important to note that Cho Tse-chi and the other members who failed to ratified by the parliament were all men very acceptable to the Yangste tuchuns, with the exception of the old Anwhei clique led by General Kuei Shi-chung. This success on the part of the Anfu Club will result in indefinitely delaying a reconciliation between the North and the South, and unless the prime minister finally succeeds in organizing a cabinet that has the approval of the Yangste tuchuns as well as the South, this failure may even result in bringing about active military operations between the North and the South

SUBJECT MONTHLY REPORT FOR NOVEMBER

N. A. COMBAT

From

No. 2269 Date December 3rd 1919., 19

Replying to No. Date, 19

AERIAL --- 70

A copy of the contract between the Chinese Government and the Vickers Company for the purchase of aeroplanes and accessories , has been forwarded to the department . The material contracted for , to the extent of about 200 aeroplanes and the necessary ground work , is expected in China by the latter part of February , so I am informed by General Ting Chin, the newly appointed head of the department of aviation of the Chinese Government . General Ting is an officer of considerable experience in the Chinese Army , has served for some time as adjutant to Marshal Tuan Chi-jui, the head of the Northern military party , has been the head of the Bureau of Military Affairs for the Minister of War, was placed in command of one brigade of the Second Division of War Participation Bureau, and has held other important posts in the military service of the Chinese . General Ting is a personal representative of Chin Yun-peng , the present Prime Minister and concurrently Minister of War, and is an underling of Marshal Tuan Chi-jui.

The D partment was notified by cable of General Ting's personal request to me for the nomination of three advisors for the Department of Aviation of the Chinese Government . The General requested one advisor to advise him regarding administration and organization , one advisor for flying , and one advisor to assist in shops , machines , hangers and other accessories needed for the service of aviation . I cannot emphasize too strongly the importance of our promptly assisting the Chief of the Aviation Department in securing competent and reliable advisors as per his request . The General expects these men to come into the employ of the Chinese Government and to conform to Chinese regulations . He stated specifically that he hesitated to fix a salary beforehand , as it might keep out the best men , who would refuse to serve for the salary mentioned, and he expressed his willingness to give any reasonable salary to men whom we were willing to recommend . The General requested that these men be obtained as speedily as possible , as he desired their presence here in Peking before the arrival of the aeroplane equipment from the Vickers Company ,which he expected the latter part of February.

It is obvious that the air service will play an important role in any future war , and I believe especially in a war in which Japan is involved. The influence that Americans may have over this service organized in China would be of incalculable benefit to our own department , in case of difficulty with the HJapanese , involving war. I again urge that every effort be made to secure the best possible advisors , as requested by General Ting.

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SUBJECT MONTHLY REPORT FOR NOVEMBER.

From H. A. COMBAT

No. 2269 Date December 3rd 1919., 19

Replying to No. Date, 19

MUNITIONS ---- 65.

IMPORTATIONS OF MUNITIONS OF WAR INTO CHINA BY ITALIANS.

Attention is called to our report number 2253 dated Nov. 22 , 1919. There is no question as to the arrival of the war material and its being received by Italians at this end . Just whom the material was intended for and who authorized the contract for the Chinese Government , if it was authorized , we have been unable to learn as yet. The Italians are keeping very quiet on the subject , apparently hoping the stir will blow over . We have no reports that the boxes have been moved from the Italian Camp at Shan hai-kwan .

There is no doubt in my mind of the wilfull violation of the embargo agreement on the part of the Italians . This together with the recent contract of the Vickers Company to deliver aeroplanes etc. to the Chinese War Department would seem to be good grounds for annuling the embargo agreement . The proposition mentioned in our cables 97, 98, 99, 102, 103, 105, 122 is so much more important that we should consider the matter very seriously before allowing their violations to be overlooked without taking some sort of action.

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OFFICE CHIEF OF STAFF
Executive Division
Mil. Int. Branch.
2657-L-24
JAN 1920
WAR DEPARTMENT

SUBJECT JAPANESE AND CHINESE CLASH AT FOOCHOW.

From H. A. POLITICAL

No. 2279 Date December 8th 1919., 19

Replying to No. Date, 19

59----- FOREIGN.

COPY OF REPORT RECENTLY RECEIVED AT THIS OFFICE FROM FOOCHOW.

REC'D, M. I. B., C. C. JAN 24 1920

" I have the honor to report that on Sunday, November 16, 1919, about 5 P. M. trouble broke out at Foochow between Chinese students connected with the local Nantai Young Men's Christian Association and an armed party composed of about 30 Formosan Chinese and a sprinkling of Japanese.

The local Bureau of Foreign Affairs have verbably informed me that several days ago Mr. H. Mori, the Japanese Consul, warned the officials that, if they could not prevent Chinese students from raiding shops selling Japanese goods, he would not be responsible for any acts of violence that his nationals might do. It is reported that all day Sunday a group of Formosans and Japanese swaggered about at the north end of the long bridge, connecting the island on which the foreigners dwell with Foochow, bumping into everyone that looked like a Chinese student. Toward evening, the attitude of this bunch of rowdies became so threatening that students belonging to the Y. M. C. A., which is not far from the north end of the bridge were afraid to venture

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SUBJECT JAPANESE AND CHINESE CLASH AT FOOCHOW

From H.A. POLITICAL

No. 2279 Date DECEMBER 8TH 1919, 19

Replying to No. Date, 19

[redacted] 59---- FOREIGN.

into the street.

As regards the actual clash, I was called up on the telephone by a Chinese secretary of the Y. M. C. A. at 6 P. M. and excitedly informed that an armed body of Formosans had invaded the premises and had carried off a student as a captive. After telling the secretary to get in touch with Mr. R. A. Leake, one of the American secretaries, I notified the Chinese police by telephone and requested them to send a guard to prevent further attacks on the Y. M. C. A. property and sent an informal, unofficial note to Mr. Mori, the Japanese Consul, requesting him to take steps to prevent his nationals from forcibly trespassing on American property. The police stated that they would send an armed guard and Mr. Mori replied that he would "take steps immediately".

Later, Mr. Leake gave me the Y. M. C. A. version of the fracas. He stated that at about 5 P. M. three Y. M. C. A. students and an American Board Mission Day School teacher, Yang Shang Ssu ( ), who was to teach a Bible class, while on their way to the Y. M. C. A. building, were suddendly set upon by a gang of 30 or so Formosans aided by several Japanese. The band attempted to make the students prisoners. Three or four Formosans dragged one student a considerable distance, beating him with stickes. Mr. R. E. Buchanan, an American teacher connected with the Y. M. C. A. happened to pass by in a richsha, recongnized the student and attempted to rescue him. One of the Formosans struck Mr. Buchanan in the chest and pulled a revolver. However, as the quarrel took place in front of an office of the Chinese river police, Mr. Buchanan and the student managed to force their way into this office, whereupon the Formosans fled. The Chinese police on duty in front of the police office merely looked on with mouths wide open, probably wondering what it was all about.

The larger group of Formosans and Japanese commenced to belabor the other students and the teacher with bamboo clubs and metal bludgeons and to stab them with knives. Chinese police attempted to interfere and students from the Y. M. C. A., hearing the racket, came running to the rescue. Thereupon several of the gang pulled guns and commenced firing. One policeman was badly injured and the other policeman and students scattered, retreating toward the Y. M. C. A. building. The gang followed them, hit the gate keeper of the Y. M. C. A. a smash over the head and entered the premises of that organization. While on the promises they belabored students and members with clubs. It was at

this

SUBJECT JAPANESE AND CHINESE CLASH AT FOOCHOW.

From H. A. POLITICAL

No. 2279 Date December 8th 1919., 19

Replying to No. Date, 19

FOREIGN— 59

this time that I was notified by telephone. Evidently fearing that they had gone far enough, the gang then left the premises. Six students are know to have been badly mauled, one perhaps fatally so, and are suffering form bullet and knife wounds. The injured policeman is not expected to live.

I have been imformed by Mr. M. Floch, local French Postmaster, that on Sunday evening he happened to be dining at a restaurant not far from the Y. M. C. A. At about 8 o'clock, he heard shouts in the street below and looking out, beheld seven Japanese dressed in foreign clothes walking along followed by a mob of Chinese who were shouting and throwing missiles at them. All of a sudden, the mob gave a yell and charged the seven, who dodged into the doorway of the Shun Chi ( ) Chinese restaurant. The mob contented itself with staying outside the building and hurling stones and bricks through the windows into it. Soon eighteen Chinese soldiers arrived on the scene, shooting into the shops as they came along. The mob fled and the streets were soon clear of all persons. A guard was placed at the entrance of the Shun Chi restaurant. Some time after the streets had been cleared, two Japanese, one dressed in Chinese and the other in foreign clothes, came toward the retuarant, which they attempted to enter. The Sentries at the door attacked them and quickly tied the hands of the one in foreign clothes, who did not make any resistance. The other, using his head and fists, put up a plucky resistance, but was overpowered and tied up. He was then searched and a revolver taken from his person. After firing the contents of this weapon into the air, the petty officer in charge of the troops slapped the prisoner's face and spit into it. The soldiers followed suit and pummeled quite badly the prisoner, who had resisted. The two prisoners were then taken by a guard through a Chinese crowed which had collected and this crowd also mauled the prisoners as they passed through.

Mr. Floch is inclined to exaggerate matter of this sort and may have confused Formosans and Japanese. He was positive that the prisoners were Japanese and not Formosans and stated that Chinese friends who were with him also were positive that the prisoners were Japanese. He also stated that a Britisher, a member of the outdoor staff of the Customs, was with him and saw the incident. His opinion was that the Chinese soldiers were entirely in the wrong in attacking the Japanese who were simply walking down the street.

Sunday night and Monday morning found the city in

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SUBJECT JAPANESE AND CHINESE CLASH AT FOOCHOW.

From H.A. POLITICAL

No. 2279 Date DECEMBER 8th 1919., 19

Replying to No. Date, 19

FOREIGN---- 59.

an excited state. On monday morning, all shops in the south suburbs and on the main streets in the city were closed and the students refused to attend classes in the mission and Government schools. The Chinese officials and gentry are incensed and held a meeting of indignation in the city, The students have decided to hold a meeting in the afternoon of Monday.

In the morning of November 17th (Monday), I received many calls from Americans connected with the Y. M. C. A. and various missions, protesting against the attitude of the Formosans and Japanese and sympathizing with the Chinese students. I informed them that beyond asking the police to protect the premises of Americans and the Japanese Consul to prevent his nationals from trespassing on American property, there was little I could do at present. The matter was merely a row between Japanese and Chinese and, incidently, American interest had been harmed by a mob. If they could prove that the mob was incited by any Japanese official, then something in the nature of a protest against the Japanese might be lodged by the American suthorities.

All sorts of rumors, mostly exaggerated I believe, are floating about. Mr. T. C. McConnell, an American secretary of the Y. M. C. A., has informed me that he has received reliable information from two independent sources to the effect that three days ago a meeting of Japanese subjects was held in the office of the Min Pao, ( ) the local Japanese owned veracular newspaper, which the Japanese Consul attended. At this meeting, 60 revolvers received from Tokyo were distributed with instructions to start some trouble and the Jpanese firm, Mitsui Bussan Kaisha, was called upon to furnish $15,000 Mexican to be used in financing the conspirators. Each man, who killed a student, was to receive a pension of $30 a month for two years. The would-be assassins were also given bombs. The same source reported that the Japanese Consul freed ten or more prisoners on November 15th, so that they could mix up in this affair.

How much of the above is true I am not in a position to state. Mr. McConnell's sources are Chinese and, under the present exciting conditions, Chinese are liable to draw some peculiar conclusions and to spread some strange rumors. There is no doubt but that the Chinese of all classes are aroused against the Japanese and that the sympathies of the foreign missionary element are strongly with the students, who in this case were not engaged in any anti-Japanese activities.

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SUBJECT JAPANESE AND CHINESE CLASH AT FOOCHOW.

From H. A. POLITICAL.

No. 2279 Date December 8th 1919., 19

Replying to No. Date, 19

59---- FOREIGN.

There is danger of the Japanese officials using this incident as a pretext for making demands on the Central Government or for landing an armed force here. A member of the local Bureau for Foreign Affairs has hinted to me that the Chinese authorities believe that the affair was instigated by the Japanese Consul acting under orders from Tokyo. He requested me to give the Y. M. C. A. version of the affair to him and asked me if I thought that the American Government would protest because of the trespass on American property. I replied that if Japanese soldiers had done the invading, a protest would have been made, but that this affair was a police case which the Japanese authorities should handle. If they deliberately refused to see justice done, then there might be cause for an official protest. I believe that the Bureau will simply report the matter to the Foreign Office in Peking and ask for instructions.

I have been informed that the Japanese Consul will call a meeting of all Formosans on Monday afternoon. It is my intention to write to him unofficially on November 18th (Tuesday) and to request him to inform me of the results of his investigation in regard to the trespass on American property.

REPORT RECEIVED FROM SAME SOURCE ON NOVEMBER ~~XXXX~~ 18th.

I have the honor to report that the shops are still partially closed and the Chinese students refuse to attend classes.

On the afternoon of November 17th, a mass meeting of several thousand Chinese gentry, merchants, teachers and students was held in the Educational Society Building and the following resolutions were adopted:

First. That the Chinese Government request the Japanese Government to remove Mr. Mori, the Japanese Consul at Foochow.

Second. That the new Japanese Consul make an apology to the Chinese Government.

Third. That an indemnity be paid for the injuries suffered and the damage done.

Fourth. That the Chinese Government be requested to demand that the Japanese Consul punish the guilty.

The chairman of the local Provincial Assembly, Mr. Lin Han ( ), after the meeting, sent a circular telegram to the Peking Government and to the other

Provincial

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SUBJECT JAPANESE AND CHINESE CLASH AT FOOCHOW.

From H. A. POLITICAL.

No. 2279 Date December 8th 1919., 19

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59------- FOREIGN.

provincial assemblies stating the facts in the case and calling attention to the high-handedness of the Japanese.

I understand that the Japanese subjects also held a mass meeting on the 17th demanding that Japanese gunboats be sent here to protect Japanese lives and property. The Chinese Bureau for Foreign Affairs have verbably informed me that they believe five Japanese shallow draft gunboats are on their way to Foochow. At the same time they asked me if the American Government would send gunboats. I replied that, inasmuch as no American interest was in danger and as the Chinese authorities appeared able to control the situation, I could see no reason why American gunboats should come here. Personally, I believe that, if Japanese gunboats come here at the present time, it would be better for American gunboats to stay away as the crews of both squadrons on shore leave would fight and add further complications to affair.

My report of November 17th mentions a description by Mr. M. Floch of an incident w which happened after the student row had occurred. The Bureau for Foreign Affairs have informed me that the seven Japanese in question were police attached to the local Japanese Consulate and that the two individuals made prisoners by the Chinese soldiers were two Formosans, Japanese subjects, who had been indiscriminately shooting up and down the street at Chinese students. I was also informed by the Bureau that the Japanese Consul had lodged a protest against the way in which students had mauled his nationals and had requested to be informed whether or not the Provincial Government could guarantee protection to Japanese subjects and property against mob violence. The Bureau replied that the Chinese authorities would have no difficulty in maintaining order, if the Japanese Consul would prevent his Formosan and other unruly subjects from causing disturbances and from attacking peaceful Chinese.

This protest by the Japanese Consul lends color to the rumor that he has sent for gunboats. In the morning of November 18th, I sent him an informal note asking him to give me the results of his investigations regarding the matter of the Formosans trespassing upon American property. He replied that he would call in the afternoon of the 18th and inform me verbally.

The attitude of Military Governor Li Hou-chi is not known at the present time. It is reported that he is anxious to have the shops open as soon as possible so that the present excitement may be given a chance to die down. Admiral Sah Chen-ping left for Peking

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SUBJECT JAPANESE AND CHINESE CLASH AT FOOCHOW.

From H. A. POLITICAL.

No. 2279 Date December 8th 1919., 19

Replying to No. Date, 19

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on November 14th. It is reported that he is to be the Minister of Navy in the new Chinese cabinet.

American missionaries are endeavoring to persuade their Chinese students to return to their studies. Many day students refuse to attend classes because they fear they will be assaulted by Japanese subjects.

It is feared that, unless something is done to appease the resentful spirit of the Chinese thus aroused by the rowdyism of the Formosans, further trouble will ensue. The situation has been becoming intolerable; the boycott has affected the Japanese so much that they have become irritable and desperate and the students have been so provked at what they are in a very excitable state. The present fracas has made worse a dangerous situation and how matters will eventually turn, no foreigner here dares prophesy.

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OFFICE CHIEF OF STAFF
Executive Division
M.I. Br. Branch
JAN 30 1920
32657-S-25
WAR DEPARTMENT

SUBJECT POLITICAL CONDITIONS IN CHUNG KING DISTRICT.

From H. A. POLITICAL.

No. 2286 Date Dec. 12th 1919

Replying to No. Date 19

59---- Foreign

REC'D. M. I. BR. W.D.G.S. JAN 24 1920

COPY OF REPORT RECENTLY RECEIVED AT THIS OFFICE FROM CHUNGKING.

I have the honor to report that a rather serious clash occurred yesterday in Chungking between students and the police. It appears that a Chinese merchant opened a shop which handled Japanese goods exclusively. Because of the boycott the merchant was forced into bankruptcy, and his creditors demanded that the merchandise be sold, and as a result the chief of Police undertook to auction the stock of Japanese merchandise. That is one version of the cause leading to the clash, but in all probability, the owners of the shop were Japanese who, because of the boycott, had no other recourse than to dispose of their goods by auction. The students, upon receiving the news that Japanese merchandise was to be sold by the Chinese authorities by auction, immediately protested, and because of their action, two or three students were arrested. The arrest of the students caused several meetings of the students to be held, and on the night of the 17th instant, about a thousand students spent the night outside of the police station. The next day the students gathered in the bazaar in which the Japanese goods were to be auctioned, and when the chief of Police appeared, he was greeted with much handclapping and shouts of "Wnag Kuo Nu" ( ) "Slave who destroys his country". The Chief of Police evidently lost his head, and ordered his bodyguards to fix bayonets, and to keep away any students who would attempt to approach him. This command led to a number of students daring the soldiers to touch them, and in a few seconds a melee occurred in which several of the students were slightly wounded, and in which one of the bodyguards of the chief of Police was severely wounded, and the Chief of Police's chair destroyed by the students. After reinforcement appeared, the crowd was dispersed. It is notable that the Chief of Police asked for assistance from the Commissioner of Defense, the Commander of the Kueichow Troops, and from the Taoyin, but all refused to interfere in any way in the matter, evidently fearing a repetition of some of the incidents occurring in Tientsin and Peking.

One of the local Chinese papers, the Shang Wu Jih Pao ( ), published by the Chungking Chamber of Commerce, endeavored to give an account of the incident, but the Chief of Police censored it, and as a result the paper appeared this morning with a blank page. The students are demanding that the Japanese goods be burned, and not sold, and it is understood that the Chief of Police has consented to the burning of the goods, valued at approximately $10,000.

During

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SUBJECT POLITICAL CONDITIONS IN CHUNGKING DISTRICT.

From H. A. POLITICAL.

No. 2286 Date December 12th 1919., 19

Replying to No. Date, 19

17 ---- POLITICAL.

During the week or two there has been an uneasy feeling in the city, caused by a return of a regiment of troops from the Shensi border. The commander of these troops has been displaced, and it has been feared that the troops might loot the city. People purchased stocks of rice to last them several months, but nothing has happened, and the feeling of uneasiness is gradually passing away, as far as any trouble by the troops from the border are concerned. However, another cause of the feeling of uneasiness has been the numerous clashing which have taken place in the Chungking street between Kueichow and Szuchuan troops . These clashes are a daily occurrence, and while they have hitherto been between small groups of men, not more than four or five, their frequency has been a cause of grave concern to the commanders of the two bodies of troops in Chungking, General Yu Chi-t'ang ( ),the Commissioner of Defence, and commander of the Ssuchuan troops, and General Chu Shao-liang( ), commander of the Kueichow troops. A week ago General Yu invited all the officers in Chungking, commissioned and non commissioned, to a banquet, and in a long speech he emphasized the necessity of friendliness and cooperation on the part of Ssuchuan and Kueichow officers and men. There is no doubt that the clashes have been a cause of great concern, especially to the commander of the Ssuchuan troops.

CRITICISM OF TOBACCO AND WINE LOAN.

Below is given a translation of an editorial which appeared in the Shang Wu Jih Pao( ), on the 14th instant. No editorial criticism has as yet appeared in the other Chinese paper published in Chungking, although it has given great prominence to telegrams from Shanghai reporting the opposition of students and merchants to the accomplishment of the loan.

"Tobacco and Wine Loan.

The mines, customs, railways, forests, and all other excellent economic resources have been mortgaged to foreigners. Since these great resources are all gone, plans are now being made to mortgage the small ones. Who will say that the officials are not good economists.

On account of the shortness of money the Noethern Government proposed, some time ago, to

mortgage

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SUBJECT POLITICAL CONDITIONS IN CHUNGKING DISTRICT.

From H. A. POLITICAL.

No. 2286 Date DECEMBER 12th 1919., 19

Replying to No. Date, 19

POLITICAL 17.

mortgage the Tobacco and Wine Monopoly to the United States for a loan of $20,000,000. It is so fortunate that this matter has been accoplished. Although such action might have sufficed for the present distress, the United States refuses to loan the money until the North and South are united once more.

The United States is a civilized nation in the West and since it always exhibits fairness to others, how can it suddenly funish such a big amount of money to extend the internal trouble of our country, while the North and South are in dispute ? Although the said loan has been negotiated, the payment of same is hopeless. The officials of the Northern Government have used all their abilities in this matter but to no result."

On November 15th, last there appeared in the local Chinese press a long telegram from Tuchun Hsiung K'o-wu to the Canton Military Government and the old Parliament urging the immediate drawing up of the constitution. General Hsiung points out the great importance of the constitution, and requests the old Parliament to occupy itself with the worthy task. General Hsiung evidently thinks that if the old Parliament will only occupy itself with the making of a constitution, its attention to other matters, such as the changing of the form of Government at Canton will be distracted, and General Hsiung and the other leaders will then be unimpeded in their designs, while the members of the old Parliament are squabling and quarrelling over the constitution.

At Chengtu, the provincial capital, the attempt of the members of the Provincial Assembly to raise their own salaries has created great opposition on the part of the students, merchants, and gentry. In fact, one day last week the students took possession of the Assembly, and demanded that the members who were present that day, although not a quorum, indicate that they were opposed to the increase in salary. On the other hand, some of the members of the Assembly agreed to remain away from the Assembly meeting until the salaries were increased. However, it appears that the Assembly will not be able to carry through the proposed increase in salary.

SINO-TIBETAN RELATION.

"The Sino-Tibetan situation is again entering on a crucial stage, the year's truce, brought about by the negotiations last year, being about to expire. Representatives of the Frontier Commissioner have already gone forward to Kantze to propose a conditional extension of the ttuce. The Chinese terms are known

to be

SUBJECT POLITICAL CONDITIONS IN CHUNGKING DISTRICT.

From H. A. POLITICAL.

No. 2286 Date DECEMBER 12th 1919., 19

Replying to No. Date, 19

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to be provocative, and if pressed, may lead to a fresh outbreak of hostilities, in which the Chinese will be the aggressors, and probably the losers.

In the present contingency, the presence of British consular officer on the Frontier, is opportune, and may go far towards preventing futher needless bloodshed and relieving a difficult situation. Since Mr. Teichman left for Peking last May, there has been no consular officer here until a few days ago, when Mr. King, who was the first British consul to be stationed on this Frontier, returned after an absence of several years.

In returning to his former post, Mr. King travelled from England by way of Suez to India, thence from Calcutta to Rangoon and on to Bhamo, from which place he proceeded overland through Yunnan up the Chienchang Valley to Szechuan, the journey from Bhamo in Burma, to Tachienlu on the Szechuan border, including a visit to Chengtu en route, taking exactly seventy travelling days. Mr. King is now preparing for a trip to Kantze, where it is hoped that his mere presence may relieve the growing tension between the opposing forces on the present de facto Frontier."

REPORT RECEIVED FROM CHUNG KING NOVEMBER 22nd.

I have the honor to report that it is very possible that within the next month or two, most important events will occur in the politics of Szechuan Province. On the surface things seems to be quite quiet, here and there brigandage still exists, but the people of this province have for the most part enjoyed a fairly long period of tranquility. Underneath the surface, things are decidely in a state of flex, and much uneasiness exists.

What is very likely to happen is that none other than the redoubtable General Hsiung K'o-wu( ), the Tuchun, will be told that he is no longer Tuchun of Ssuch'uan, that his services are unsatisfactory, and that he must make way for a man who has stronger leanings to the Southern cause than he has. General Hsiung is at present in great disfavor with Huang Fu-sheng( ), the Taoyin of Eastern Ssuch'uan, with headquarters in Chungking, with T'ang Chi-yao ( ), Tuchun of Yunnan, with Yang Shu-k'an ( ), Civil Governor of Ssuch'uan, with Shih Cing-yang( ), the commander of about 15,000 troops at Shunking ( ), with Yen Te-chi ( ), commanding seven or eight thousand

troops

SUBJECT POLITICAL CONDITIONS IN CHUNGKING DISTRICT.

From H. A. POLITICAL.

No. 2288 Date DECEMBER 12th 1919., 19

Replying to No. Date, 19

POLITICAL ---- 17.

troops at Suiting ( ), and Lu Shih-ti ( ), commanding troops at Wanhsien. These men are most radical Kuo Min Tang men, and for some time past they have felt that Genral Hsiung was parleying with North (he has a representative in Peking), and that he has been interfering in local politics to much. For instance, some time ago General Hsiung appointed Tan Mou Hsing ( ) to "investigate" the opium traffic and cultivation in Eastern Ssu-ch'uan, from which traffic Taoyin Huang of Chungking and his Lieutenant, Liu Shi-ti, were greatly enriching themselves. General Hsiung needed some silver very badly, hence the appointment of Tan Mou Hsing to "investigate". This appointment greatly displeased the Taoyin, and with some moral suasion and $180,000, it is alleged that the Taoyin was able to secure the appointment of a favorable "investigator" T'ien Chung-ku ( ) by the Tuchun of Yunnan, T'ang Chi-yao. This appointment naturally greatly displeased Hsiung, and as a result they have been greatly estranged.

Again, General Hsiung, it is alleged, has treated the Civil Governor at Chengtu with a great deal of contempt, and the Governor, who is a Kuo Min Tang man, is bringing all the influence he can to oust Hsiung. It is possible that when Hsiung goes, the Civil Governor will concurrently hold the post of Tuchun, but it appears to be the aim of T'ang Chi-yao to gain absolute control of Ssuch'uan by appointing a man to the post who is not a Ssuch'uanese, which the Civil Governor is, he being a Chungkin man.

One of the General Hsiung's principal sources of revenue has been the Ssuch'uan salt revenue, amounting to approximately $1,000,000 per month. Ssuch'uan is divided into two districts, and from one district, the greater of the two, $954,000 was handed last month to General Hsiung. Of course an equivalent amount of money from the salt revenue, which is handed to General Hsiung in Ssuch'uan, must be paid by the Central Government to the Group Bank, and for the money which the Salt Administration delivers to Hsiung, it is expected that General Hsiung will not permit the levying of any additional taxes on salt, and where such additional taxes are reported, he will abolish them at once, and further, will carefully guard all shipments, etc. etc. Up to the present this quid pro quo arrangement has worked satisfactorily, but it is possible that one of the means which will be used to force General Hsiung's hands, will be the levying of additional taxes on salt by troops not in sympathy with him, and when General Hsiung finds himself unable to abolish such taxes, he will then find the salt revenue cut off, and perhaps arrangements will then be made with an authority who can abolish the additional taxes. In this connection it might be said that the present Salt Commissioner of Ssuch'uan has

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SUBJECT POLITICAL CONDITIONS IN CHUNGKING DISTRICT.

From H. A. POLITICAL.

No. 2286 Date DECEMBER 12th 1919., 19

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not much love for Hsiung, who has countenanced violent attacks on the Commissioner in the Provincial Assembly at Chengtu.

While it might be supposed that any open friction between General Hsiung and General T'ang Chi-yao would give the North an opportunity to step in and regain control of the province, by the affiliation of General Hsiung's troops and the Northern troops, it will be a very hard task indeed, for General T'ang is bent on getting control of the province, and he has already aligned two leaders of Ssuch'uan troops to his cause, and what with his Yunnan and Kueichow troops at present in the province, an enormous expedition from the North would be necessary to oust him, if he once got control.

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OFFICE CHIEF OF STAFF
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MI. Int. Branch

2607-J-32 1920

WAR DEPARTMENT

JM.

SUBJECT JAPANESE BOYCOTT

From H. A. POLITICAL

No. 2282 Date DEC. 10th 1919.

Replying to No. Date

FOREIGN--- 59. REC'D, M. I. B., O. C. S JAN 24 1920

COPY OF REPORT RECENTLY RECEIVED AT THIS OFFICE FROM SWATOW, CHINA.

With reference to my former report under the above Subject, in which reference was made to the controversy between the students and the Electric Light Company over the use of Formosan coal, I have the honor to report that the matter came to a head early this month. By way of explanation it should be stated that the managers of the Electric Light Company and several of the steam launch i lines operate a coal company known as the Ming Fa Kung Ssu and it is this company that supplies the coal to these concerns and a few others. The arrival of a shipment of coal in disregard of the agitation of the students undoubtedly induced them to take drastic action. On November 5th they hired five lighters and marched, about 500 strong, to the coal yards where the lighters were loaded, many of the students assisting. The police had been previously notified by the students of the action that they had decided to take. On the following morning they intended to load more lighters but were unable to procure boats, or able to reach the coal yards owing to the removal of the ferry boats by the Police. A visit to the Police was then made and after several hours of parleying with a middleman the following terms were reached: The company to pay a fine of $5,000, give a "voluntary bond" not to import futher "inferior goods", and make a public apology, which terms, it was provided, must be carried out within five days. It is understood that these terms have been carried out, except possibly the last one, concerning which I have no information. The next day the five lighters loaded with coal, in all about 60 tons it is claimed, were taken out to sea and the contents dumped overboard. Some beancake which had been previously seized was taken out at the same time.

The students have been very active in their campaign against Japanese goods. A few cases in which drastic measures were adopted during the past fortnight will be mentioned. The proprietor of the Ch'ien-t'ai godown procured a Japanese firm, Suzuki & Co., to intercede on his behalf in a case involving 20 boxes of matches, which was under investigation, on the plea that the cargo was Japanese. The students learned of this intercession and procured from the godown proprietor a signed statement to the effect that the matches belonged to him. These matches are to be confiscated by the students and will probably be burned. The Swatow

Dispensary

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SUBJECT JAPANESE BOYCOTT AT SWATOW

From H. A. POLITICAL.

No. 2282 Date Dec. 10th 1919., 19

Replying to No. Date, 19

59--- Foreign.

Dispensary was recently fined for importing a small shipment of Japanese drugs. It seems that the goods were repacked by a Chinese drug firm at Shanghai but were detected while being landed here. Another local dispensary had a shipment valued at $1,000 confiscated, the drugs having been imported by a local Japanese firm. I would add that the local papers recently reported a third bonfire of "inferior goods" at Ampo. Matches, spirits of Wine, clock, paper, etc., were destroyed.

There has been no attempt on the part of the local officials to interfere with or obstruct the students in their activities in connection with the boycott, as the attitude of the Police in the above coal case clearly indicates. Small parties of students patrol the water front where cargo is landed at all times of the day, as well as visit godown. The Customs Ten Day Returns show that Japanese steamers continue to carry very little cargo.

There has been a strike of the students of the Anglo-Chinese College as a result of the objection of the foreign principal to the students' performing in the College the customary three bows to the picture of Confucius on his birthday anniversary. Alot of feeling was engendered on the part of many students and it is understood that they took an oath never to retrun to that school. A meeting was held by the parents and elder relatives of the students, at which it was decided to urge them to return to their studies. About half of the student body has returned or is expected to return, while many of the others, chiefly the older students, have gone to their homes. The student bodies of several other schools also went on a strike recently but, chiefly, for causes connected with the boycott demonstrations. With one exception they have now returned to their studies.

An important arrest was made recently by Colonel Lin, of the Commissioner of Defence's forces. Eleven men belonging to a gang styling themselves Ch'un Ying Hui ( ), who are believed to have been responsible for many local robberies, were seized in their hiding place. No executions have yet taken place. I would add that local conditions as regards robbery are as bad as ever.

The local papers report that two shops kept by Formosans were recently raided by Military Police and opium seized and carried away. It is reported that one of the cases was taken up by the Japanese Consulate.

All the principal officials of Swatow are now at Canton on important business, so it is claimed. My inquiries have elicited no information regarding their visit. Those now at Canton are Liu Chih-lu, Commissioner of Defence, Liu

Kuo-chih

SUBJECT JAPANESE BOYCOTT AT SWATOW.

From H. A. POLITICAL.

No. 2282 Date December 10th 1919., 19

Replying to No. Date, 19

59 --- FOREIGN.

Kuo-chih, Taoyin, Lu Kung-wang, commissioner-in-chief of the Chekian forces, the Commissioner for Foreign Affairs, and the Chief Procurator.

One of the largest banks in Swatow failed recently with reported liabilities of about $600,000. This bank, called the Tai Ku Yin Chuang ( ) was started by a former compradore of Butterfield & Swire, who died some years ago In connection with the failure of another large bank, the Ch'en Te Ch'en Bank, earlier in the year, its notes are now being redeemed at the rate of fifty cents on the dollar.

As being of interest I add the apology, of the Ming Fa Company, above referred to, which appeared in the Ta Ling Tung Pao this morning (November 13th).

" The undersigned company deals in coal and has heretofore entered into a contract for its supplies. This company deeply regrets that its managers neglected, during the present boycott, to report the facts of the case and, as a result, the patriotic students have come in large numbers to remonstrate with us for what connot be retracted. Patriotic duty falls on the shoulder of every citizen. We have tighted the wrong and are now holding the same view. We accept the penalty as arranged by the mediator and henceforth will voluntarily observe the regulations of the Students Union and will not again contract for inferior coal. As to the rude language used by the managers, we trust, these patriotic gentlemen have already forgiven them. Therefore, this apology is published.

"Ming Fa Company."

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OFFICE CHIEF OF STAFF
Executive Division
Mil. Int. Branch.
2637
1920
WAR DEPARTMENT

SUBJECT POLITICAL CONDITIONS AT CANTON.

PEACE BETWEEN THE NORTH AND SOUTH.

From H.A. POLITICAL.

No. 2285 Date Dec. 12th 1919., 19

Replying to No. Date JAN 24 1920, 19

17 66— POLITICAL. M. I. B., O. C.

COPY OF REPORT RECENTLY RECEIVED AT THIS OFFICE from CANTON.

I have the honor to submit the following notes on recent phases of the political situation at Canton.

Peace Between North and South.

The private negotiations between the individual leaders in the North and those in the South, chiefly Tsen Chun Hsuan, Lu Yng Ting and Tang Chi Yao, reached a point where they began to overshadow those of the representatives assembled for the peace conference at Shanghai. They culminated in the resignation of Tang Shao Yi, the chief Southern Delegate, on the first of October and on this account were abruptly terminated. In the step Mr. Tang was quietly supported by Sun Yat Sen, Wu Ting Fang and their adherents, both in and out of the old parliament. A special representative was sent to Shanghai the middle of October to return to Tang Shao Yi the seals which he had sent to Cabton with his resignation and to induce him to withdraw his resignation, but he was obdurate and the matter is still unsettled.

Change in Southern Government.

The self-evident weaknesses in the organization of the Military Government, which have long been recognized, were seized upon a month ago by the opponents of Tsen Chun Hsuan as an excuse for ousting him while ostensibly reorganizing the form of the government. As at present constituted, the Military Government is said to be too loosely organized to be effecttive. Of the seven Administrative Directors only three are in Canton, while the rest are represented by personal delegates. There is no concentration of responsibility and consequently no definite policies are pursued. So on October 22nd at a joint session of the two houses of the National Parliament a resolution calling for the immediate reorganization of the Military Government was passed with a large majority after a heated debate. The Members of Parliament were dissatisfied with Mr. Tsen for being controlled by the unscrupulous and opportunist politicians who form the Cheng Hsueh Hui. It was their selfish intrigues that brought about Tang Shao Yi's resignation. A circular telegram was also sent out denouncing Mr. Tsen and enumerating his shortcomings.

The Military Governor of Kwangtung, Mo Yung Hsin, who for some time has been gradually transferring his allegiance from General Lu Yung Ting to Mr. Tsen then came out with a circular telegram opposing the proposed

reorganization

Binding Margin.

SUBJECT POLITICAL CONDITIONS AT CANTON.

NORTH AND SOUTH.

From H.A. POLITICAL

No. 2285 Date December 12th 1919., 19

Replying to No. Date, 19

17----- Political.

reorganization, defending the government, and pleading for unity.

At the end of October Mr. Tsen tendered his resignation to the military conference, which had assembled to discuss problems in connection with the possible resumption of warfare with the North. The conference concluded that it was incompetent to accept his resignation and so returned it to him. Since he then changed his mind about resigning, it is concluded that the letter was only a feeler or means of obtaining the support of the military chiefs. Meanwhile several reorganization schemes were discussed in parliament, where three distinct groups have been formed to futher the policy of each in this connection. One is out for a complete reorganization; One for a moderate reorganization; and the third or Cheng Hsueh Hui for none at all.

The determined campaign against Tsen Chun Hsuán was, however, really engineered by Lu Yung Ting. In this move he was at least passively supported by the other Administrative Directors who felt that they could no longer tolerate the machinations of Tsun carried on behind their backs. As stated at the beginning, other Southern leaders had also been carrying on private negotiations with the North, but those conducted by Tsun were regarded as the most dangerous because of their nature. Just as in his growing control over individual offices in the Kwangtung provincial government, his intrigues took shape in bargains for individual posts to be granted by the Central Government, but without giving consideration to the rights of the parliament or to the eight points announced by Tang Shao Yi.

In order to dispel the existing friction, to create a better understanding, or at least to find out exactly where each side stood, Tuchun Mo Yung Hsin went to Nanning early this month and returned a fortnight later. It is concluded that his visit was unsuccessful, since Tsen himself was forced to make the same journey, leaving Canton on the 21st instant. It is quite possible yet that both Tsen and Mo may have to give up their present posts.

Protests Against Foreign Loans.

The attitude of the Military Government in objecting to all foreign loans to the Peking Government has been consistently maintained and repeatedly evinced. One notable instance was Dr. Wu Ting Fang's telegram to the Legation of October 17th. Another was his protest against the American loan secured by the Wine and Tobacco Tax. In fact, at times it has seemed as if the discovery and making of protests against loans to the Peking Government were

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SUBJECT POLITICAL CONDITIONS AT CANTON.

[redacted] NORTH AND SOUTH

From H. A. POLITICAL.

No. 2285 Date DECEMBER 12th 1919., 19

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17 Political.

were the chief if not sole functions of the Ministray for Foreign Affairs of the Military Government.

Declaration to the Powers.

There is quoted below a translation of a declaration issued by the Military Government for the information of the foreign powers refusing to recognize as valid any contracts or agreements, which obligate China financially, made without the sanction of the old parliament.

"The Constitution of China has been unfortunately violated by the Militarists who, under the disguise of entering upon the European War, have trained soldiers for internal use and have increased foreign loans for the promotion of internecine strife. They care little even if it be a danger to China's sovereignty or a disgrace to the nation. This is why they are looked upon with anger and hatred by the 400 millions of the Chinese people.

Since the Chino-Japanese military pact was supposed to be made for the purpose of the war against Germany, it ought to have been abolished long ago when the Great War ceased. But, the Militarists, profiting by the opportunity afforded by the pact of making loans, have allowed it to extend to an indefinite period, or are considering means whereby they may alter its name and still detain the substance. Their intrigue is indeed endless.

In the Kiaochow-Tsinan Railway Agreement, it is state that "the Government of China is pleased to agree to the terms contained therein." The Northern Militarists tempted by the advance of 20,000,000 yen from Japan alone were responsible for the conclusion of such an agreement so that they were prepared to sacrifice our national sovereignty; such an agreement certainly had not the consent of the nation.

Beside the above, it is understood that the Peking Government has borrowed moneys from Japan within the last two years (1917 and 1918) to the amount of 300,000,000 dollars. These moneys they have spent on civil war and most of the agreements for said loans have never been published, so that it is impossible to say to what extent they impair the national rights. It is deplorable that our militarists employ foreign means for their private quarrels. It is provided in the provisional Constitution of the Chinese Republic that contracts involving a charge on the states treasury must be passed by the Parliament. These agreements have been concluded within the period of the Constitutionalist Movement while a state of war exists between the North and the South, and have not been sanctioned by the regular parliament. Consquently they are

deemed

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deemed to be null and of no effect.

Therefore whatever the contents of these treaties and contracts may be, this country is not bound by them. In future, if there shall be agreements of similar kind, they shall be treated in like manner. We respectfully make this declaration and bring it to the benevolent consideration of the friendly powers.

Tsen Chun-husan,
Wu Ting-fang,
Tang Chi-yao,
Lu Yung-ting,
Lin Pao-yi,
Sun Wen,
Mo Yung-hsin,
Tam Ho-ming,
Liu Hin-she,
Feng Koh-mu,
Tam Yen-kai,
Yu Yau-yam,
Chen Chiung-ming,
Li Tsing-chen,
Yang Shu-kam."

Binding Margin.

SUBJECT JAPANESE BOYCOTT AT CANTON.

From H. A. POLITICAL.

No. 2285 Date Dec 12th 1919., 19

Replying to No. Date, 19

XXX 59 -FOREIGN

JAPANESE BOYCOTT.

The boycott against Japanese goods has continued in full force with several untoward events worthy of note. The force of the movement has been particularly directed against the three large department stores, so that they have done very little retail business for over two months. At first the students were the sole agitators against them but during the past few weeks they have allowed the control of their activities to be directed to a considerable extent by the smaller shops, whose aim is simply to injure the business of their larger completitors. When the phase of the matter become apparent, the Christian schools took no further part, although the government school students continued to be nearly as active as ever. Only two days ago a complete repture occurred between these two parties because of the irresponsible action of the latter. In the latter part of September eleven student leaders were arrested by the police for promoting the boycott but were released in a few days in response to the popular clamor. This incident only served to spread and intensify the movement.

By the middle of October the boycott against the three large department stores had caused them to suffer such severe losses in trade that they attempted in a moment of weakness to "confess" their errors and to come to terms with the students and newspapers. This step, however, did not have the desired effect. On the other hand, it led to accusations of bribery on both sides and to the futher loss of public esteem.

Confucius' birthday was celebrated on the 20th of October with unusual vigor. As Shantung is the native province of the Sage, the celebration quite naturally took the form of a boycott parade of great length, in which the students and guilds were the chief participants. But, aside from the boycott this day has been celebrated with increasing popularity the past three years because of the shop employees' demand for a holiday at this time of the year to replace the one in honor of the God of War which was abolished a few years ago.

One result of the boycott against the department stores has been an annoying disappearance of their liquid capital, which in turn made it difficult for them to pay for new goods previously ordered. On top of this came runs on their banking departments by depositors. It is likely that all the stores will weather the storm, since their

assets

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SUBJECT JAPANESE BOYCOTT AT CANTON.

From H. A. POLITICAL.

No. 2285 Date Dec. 12th 1919., 19

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59 ---- Foreign.

assets greatly exceed their liabilities. The Sun Company being the newest concern is having the hardest time in this respect.

In the afternoon of November 8th a serious riot occrred in the Sincere store as a result of a collision between the police and the students after the latter had rushed through the store looking for responsible officers of the company, and had severely hanhled two employees. A police sergeant was roughly dealt with, besides having his revolver, rifle and bayonet taken from him by the students. Upon the arrival of a comany of armed police the students were asked to surrender the ones who maltreated the two employees and to give up the arms taken from the sergeant. As they did not comply, 130 or more, including 20 to 25 girls were locked in the store over night. It is probable that further damage to the store resulted in consequence, since the place gave that appearance next morning. At ten o'clock the next morning all were released except eleven ringleaders who were taken to the police station and later sent to the reformatory, where they were kept nearly a week. A number of students were wounded. Two thousand armed soldiers with machine huns were brought to disperse the crowds the following morning.

As an aftermath of this occurence students of several government schools went on a strike, which in several instances was only on paper, and organized a few parades with the view to the dismissal of the Commissioner of Police, General Ngai Bong Ping. On his part the latter issued proclamations giving the police versions of events and warning the public to preserve the peace and not to do anything which might cause a disturbance. The Military Governor upheld the action of the police and warmly commended the Commissioner.

Nevertheless, several local newspapers and the Provincial Assembly started a campaign to oust the Commissioner, even though he is a native of this province, while many of the higher officials are not, and even though he is one of the msot progressive and ef icient of all the officials in Canton. He tendered his resignation to the Military Governor but instead of its being accepted he was again praised. The Assembly took this stand because the Commissioner had two weeks ago arrested an Assemblyman for libeling him in the tramway controversy.

At the time the students were released the Commissioner of Police ordered the Chamber of Commerce to return to their owner all goods confiscated by the students and then stored in the Chamber of Commerce building. A considerable amount had been publicly burned some weeks before. The Lin Hoi

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SUBJECT L JAPANESE BOYCOTTT AT CANTON.

From H. A. POLITICAL.

No. 2285 Date Dec. 12th 1919., 19

Replying to No. Date, 19
59 ---- Foreign.

School, an organization of students dismissed from a British school, was also ordered to dissolve because of its trouble-making propensities and of its taking a leading part in the examination of imports.

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OFFICE CHIEF OF STAFF
Executive Division
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FEB 2 1920

2603, J-34

WAR DEPARTMENT

SUBJECT Mrs Carleton Baker insulted by Japanese at Mukden.

From H. A. POLITICAL.

No. 2293 Date December 15th 1919., 19

Replying to No. Date, 19

59---- Foreign.

REC'D, M. I. B., C. C. S. JAN 24 1920

I have the honor to state that considerable publicity has been given to an incident which occurred here a few weeks ago. My wife was insulted by five Japanese but the matter was quietly settled with the Japanese authorities who were very reasonable and obliging.

For several reasons I did not report this matter before. When Mr. at Dairen, was attacked at that place he took the matter up with the Government and I understand that he not only derived no satisfaction but was given to understand that his protest was considered more or less inappropriate. Remarks were made about his trying to magnify the incident and my wife and I thought it was best in the present case to have as little publicity as possible and not make it appear that there was any desire to invoke the influence of the Government. Since, however, the affair has become widely known and is referred to as another "incident" it seems only proper to report the facts to the Government. for its information at the present time.

I enclose herewith a quotation from the China Press of November 14th, 1919. Almost the same account appeared in the North China Star. The latter publication subsequently printed two articles which gave an erroneous impression of the whole situation. These appeared on November 19th and November 20th and they also are enclosed herewith.

As the Japanese officials concerned had done all they could and requested me to consider the matter a closed incident I told them that I would do nothing further about it. The articles which were published, however, made it appear that I had furnished the newspapers with their information and there was some likelihood of the Japanese Consul General here thinking that I had broken my promise to him. I therefore sent a letter to the news editor of the North China Star. I enclose herewith a copy of my communication. A copy of this was sent with a personal note to the Japanese Consul General here. A copy of the latter is also enclosed, also a copy of the Consul General's reply.

As the publication of some of my reports by Mr. Millard in his last book probably gave certain Japanese the impression that I was anti-Japanese I saw in the present incident an opportunity to dispel any such idea and to bring this office into closer friendly relations with the Japanese Consulate General here. The tone of the Consul General's reply clearly indicates that my purpose was fully

accomplished

Binding Margin.

SUBJECT Mrs. Carleton Baker insulted by Japanese.

From H. A. December 15th 1919.

No. 2293 Date Dec. 15th 1919., 19

Replying to No. Date, 19

59 --- Foreign.

accomplished. He greatly appreciated my action and, while our personal relations have always been friendly, they are now more friendly than ever and I believe that the he would do much more for me or for other Americans now than he ever would have before. He saw that I was not disposed to use the incident as an excuse for slinging mud at the Japanese and for adding to the anti-Japanese sentiment which is now so general. I believe, therefore, that the Legation will approve of the way in which this matter has been disposed of for it is not in the public interest for the Japanese to think that Americans are never willing to take a conciliatory attitude in matters of this kind.

COPY OF LETTER SENT BY MR BAKER to the "NORTH CHINA STAR".

Mukden, China, Nov. 21, 1919.

O.D. Rasmussen ,
News Editor, North China Star,
Tientsin.

Dear Sir:

I have noticed that your issue of November 19th and 20th contain references to the experience which my wife recently had with five intoxicated Japanese at the entrance of the Mukden Golf Club. As the news service which furnished the information has given an erroneous view of the matter I am taking this opportunity to acquaint you with the present status of the case.

The version of the incident which was published in the Manchuria Daily News was substantially correct. This fact was telegraphed by me to an American paper in Shanghai which asked for my version of the matter. The telegram read as follows:"Account published Manchuria Daily News substantially correct. My wife was alone at the time." The last sentence was added because another publication said that I also was present.

It is quite true that a party of five Japanese attempted to use the Government carriage and that they beat the horse as well as the mafoo when the latter resisted. The Golf Club boy told my wife what was happening and she rushed out to protect the mafoo and to prevent the Japanese from taking the carriage. Four of them were very offensive in their remarks

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SUBJECT Mrs. Carlaton Baker insulted br Japanese

From H. A. December 15th 1919

No. 2293 Date Dec. 15th 1919., 19

Replying to No. Date, 19

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and in their conduct but they did not strike my wife although they brandished a stick and assumed a menacing attitude. Four golfers who were playing the last hole saw what was going on and came quickly to my wife's assistance but even then the Japanese refused to leave. No blows, however, were exchanged. It should be started that one of the Japanese realized the impropriety of what the others were doing and tried to drag them away, and in doing so he himself was badly handled.

On returning to the Club some time later I learned of the facts and went immediately to the Japanese Consulate General to protest and to arrange for the arrest and punishment of the guilty parties. It was then almost dark and there was considerable delay at the Japanese Consulate General, as the affair happened on a Sunday. Mr. Akatsuka, the Japanese Consul General, was extremely kind and obliging. He expressed his regret and ordered a police official to search the town for the culprits. On the following day the Japanese Vice Consul called and tendered an apology, and a similar visit was made by the Japanese station master under whom the five men served. The Japanese officials assured me that the assailants involved had been punished and they requested me to consider the incident closed. As my wife was perfectly satisfied with the settlement and as it was not a studied or deliberate offense, and as the railway employees were under the influence of liquor at the time, I was willing to drop the matter. The Japanese authorities concerned showed a genuine interest in making the proper adjustment, and as they had been extremely kind on other occasions, and as the relations between the Japanese Consulate General and this office are most cordial and friendly I did not feel that I would be justified in magnifying the incident, and did not even report it to the American Government, fearing that the papers would take the matter up and exaggerate the whole affair.

As the Japanese officials in this district have shown a disposition lately to settle controversial questions in a reasonable and equitable way, especially in connection with recent attack by Japanese soldiers upon Mr. Glass, and as they took prompt and effective action in the present case I did not consider that any useful purpose would be served by giving the matter any undue publicity, and the newspaper comments which have appeared would not probably have been published had it not been for the article in the Manchuria Daily News.

I am sorry that such a lengthy explanation has been necessary but should appreciate any space which you may be able to give it as I feel that the Japanese officials concerned should received due credit for what they have done.

Very truly yours,

E. Carleton Baker,

American Consul General.

Binding Margin.

SUBJECT MRs. CARLETON BAKER INSULTED BY JAPANESE

From H. A. POLITICAL

No. 2893. Date Dec. 15th 1919., 19

Replying to No. Date, 19

VSUV 59---- Foreign

COPY OF LETTER SENT BY MR. BAKER TO THE

JAPANESE CONSUL-GENERAL AT MUHDEN .

Dear Mr Akatsuka,

As the "North China Star" of Tientsin has printed some misleading articles about the experience which my wife had with the five Japanese, and as I had considered the matter a closed incident, I wrote them a letter in this regard so that any erroneous impression which was created might be corrected. I enclose herewith a copy of my communication in this regard. I am also sending a copy to the CHINA PRESS which also printed a somewhat misleading article in this connection. As you and I have often said, we can always settle these little incidents quietly and there is no reason why the newspapers should take them up and magnify them.

The articles in the NORTH CHINA STAR were headed "Japanese will offer apology to Mrs. Baker" and "Baker incident has been referred to Washington." These articles appeared after an apology was made, and no report whatever was sent in by me to either Washington or Peking. If any report is made at all it will simply contain the newspaper comments and a copy of my letter to the NORTH CHINA STAR which contains a sufficient explanation of the whole affair.

Very sincerely yours,
E. Carleton Baker,

LETTER FROM THE CONSULATE-GENERAL OF JAPAN.

Mukden, 26th, November 1919.

E. Carleton Baker, Esquire,
U. S. A. Consul General,
Mukden.

Dear Mr. Baker:

I cordially thank you for your personal letter of November 22nd, enclosing therein a copy of your letter to Mr. C. D. Rasussen, News Editor to the North China Star in Tientsin. I am sorry that the matter referred to in your letter above mentioned was published in the press in such a way that it needed your correction, at the same time, I am very glad that you wrote to the press as per enclosure putting therein so much stress upon the friendly relation between you and

myself

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SUBJECT ~~Mrs. Carleton Baker insulted by Japanese~~

From H. A. December 15th 1919.

No. 2293 Date Dec. 15th 1919, 19

Replying to No. Date, 19

59--- Foreign

myself, which, I think, is natural reflection of the friendly relation of the two nations. In my belief you and myself, each representing the interests of each country to which we belong, hold the key of friendly relation of the two nations or national individuals represented here in Manchuria and I think if I should do for your nation in this district as you did for our people in this case the two nations can go together very nicely and smoothly without any misunderstanding and unpleasant feeling. In this respect you showed your first example for which I have special reason to thank you for your letter above mentioned, much more for your graceful idea which prompted you to write this letter and its enclosure.

I may add in this connection that the copies of your letter and its enclosure was forthwith forwarded to our foreign office in Tokyo which, I am sure, will highly appreciate the steps you have taken in this regard.

Very sincerely yours,
(Signed) S. Akatsuka.
H. I. J. M.'s Consul-General,
Mukden.

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Executive Division
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FEB 21 1920
2657-d-37
WAR DEPARTMENT

SUBJECT POLITICAL CONDITIONS IN CHINA.

SHANGHAI'S INTEREST IN POLITICAL EVENTS.

From H. A. POLITICAL

No. 2315 Date January 7th 1920., 19

Replying to No. Date , 19

17 --- POLITICAL.

REC'D, M. I. B., C. S. FEB 17 1920

The following report has recently been received in this office from an agent in Shanghai. The memorandum was written by an American who is a close student of Chinese affairs but whose ideas are inclined to be radical;

Dec. 29/1919.

There is an apparent tendency on the part of the Chief Delegate, Mr. Tang Shao-yi, representing the South and Mr. Wang I-tang, representing the North to come to an agreement. Mr. Tang Shao-yi has been very much affected by the Conference of Southern militarists which meeting at Wuming came to the following agreement:-

(1) Election of General Lu Yung-ting to the seat of Vice-president with his office at a suitable place in the South.

(2) The appointment of Mr. Tsen Chun-hsuan to the seat of an inspector over eight provinces.

(3) The appointment of General Tang Chi-yao as the inspector of Yunnan, Szechuan and Kueichow.

(4) The defunct parliament should sit in session in Nanking for the making of the Constitution of the Republic.

(5) The appointment of the cabinet ministers should obtain the concurrence of parliament.

(6) The appointment of Mr. Yang Hsu-piao, and Generals Chen Kiu-min and Li Kun-yuen, as civil governors of Szechuan, Fukien and Shensi respectively.

Mr. Wang I-tang on the other hand seems to be deeply affected by his complete failure to be received in Shanghai, by the fact that he has now lost face and influence in China and that his one means of redemption lies in a meeting of the Peace Conference. Mr. Wang I-tang is willing to concede a great deal. He now makes the point that he will publish all the secret treaties between China and Japan in the opening session of the Peace Conference and

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SUBJECT - POLITICAL CONDITIONS IN CHINA

From H. A. POLITIC AL

No. 2515 Date January 7th 1920., 19

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that he will permit the Southerners to see the treaties in advance. But he cannot make such a publication previous to the meeting of the Peace Conference.

Locally a convocation of the Peace Conference is favorably received even by the element most antoganistic to Wang I-tang on the condition that the management of the affairs of the Peace Conference are left in the hands of the two Chief Delegates and not in the hands of the sub-delegates. Mr. Wang I-tang has discharged his large retinue of propagandists who are responsible for much of his failures here and he is beginning to depend more and more upon the support of local merchants who have declined to deal with him as long as there was any possibility of rumors spreading to the effect that they had been bribed by his henchmen. Now that these have left Shanghai there is a greater inclination to deal with him.

The local merchants are also very much afraid of the proposed arbitration conference at Nanking which the President favors. They feel that such a conference can only resolve itself into a military conference and that will be very damaging to the peace of the country. They would prefer to make many concessions to Mr. Wang I-tang rather than to permit such a conference to meet. It is understood here that the Premier, Chin Yun-peng, is in favor of the Shanghai Conference and is opposed to the Nanking scheme and he is becoming more popular with the people here because of his attitude.

Dr. Sun Yat Sen is not a serious element in the Peace Conference. His delegate Mr. Hu Han Ming has disassociated himself from the Southern delegation and Dr. Sun Yat Sen has resigned from the Canton Government. It was expected that Dr. Sun's forces would rise in Szechuan sometime in October or November, but except for an abortive attempt on the part of Wu Pei-fu to drive Tuchun Chang out of Hunan there has been very little activity on the Southwestern front. Because of Dr. Sun's failure to bring about an uprising of the People's Army his influence has grown weaker politically although as a moral force he has greater weight to-day than ever in his career. He is practically the philosopher of the Students' Movement and they follow his thoughts with the greatest care. His book "The Works of Sun Wen" has had the widest circulation and he is the principal speaker at most of the large student indoor meetings. He is not opposed to the reassembling of the Peace Conference, although he does not guarantee to bind himself by any decision of this conference nor will he accept any terms which do not include the convoking of the old Parliament. It is difficult at this time

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SUBJECT. POLITICAL CONDITIONS IN CHINA.

From H. A. POLITICAL

No. 2315 Date January 7th 1920, 19

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to say what effect his insistance upon the Parliamentary issue may ultimately have but at the present moment there is hardly any visible enthusiasm for the old Parliament even among Dr. Sun's greatest edmirers.

There has always been great fear that Internal Peace would consolidate the country favorably toward Japan but present indications appear to be, that Japan is fast becoming a negligible element in Chinese political life. The face of Japan has been to a considerable extent lost because of the American Wine and Tobacco Loan which broke the Japanese loan monopoly. The Vicker's Loan and the sale of arms by Italy to Chang Tso-lin have also very seriously damaged Japanese prestige here. But nothing has done as much harm to the political position of Japan in China as:-

1. The action of the United States Senate on the Shantung clauses of the Peace Treaty;

2. The complete success of the Boycott Movement and the inability of Japan to frustrate it;

3. The Funatso Incident in Tientsin and the inability of Japan to force Mr. Pien out of the Presidency of the Chihli Chamber of Commerce;

4. The Foochow Incident and the bravery of China in making demands of Japan;

5. The success of the Bolsheviks in driving Kolchak out of Omsk which the Chinese recognized as involving Japan in a more definite and a more expensive Siberian expedition;

6. The propaganda of Japan, for Sino-Japanese friendship which indicates to the Chinese that Japan fears the economic boycott by China more than she would a war with America. Therefore there is no fear here that Japan can use the present Peking Government to obtain from China further concessions and that therefore there is no danger of a loss of sovereignty to China through the consolidation of the country in peace.

THE STUDENTS' MOVEMENT.

The Students in Shanghai are not as active as those of Tientsin or Canton because they had borne the brunt of the great demonstrations in June and July and because of the great foreign influence here. They have however,

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SUBJECT POLITICAL CONDITIONS IN CHINA

From H.A. POLITICAL

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perfected their organization which now includes about eighty schools and they are in a position to force the merchants not to deal in Japanese goods. However, it would be a mistake to say that the Boycott Movement is as strong to-day as it was in September, in spite of the impetus given to it by the Foochow Incident. About $20,000,000 of Japanese goods is tied up in Shanghai x and the merchants feel that they would suffer more than Japan if they were not permitted to sell these goods before the settling day on Chinese New Year. The Students are winking at many breaches in the anti-Japanese movement in order to prevent bankruptcy on the part of the small dealers who are heavily stocked in Japanese goods. There is however, every indication that immediately after Chinese New Year the boycott movement will again be strengthened and the students are hoping that Japanese will be sufficiently foolish to start something after Chinese New Year, which will give them an excuse for accelerating the boycott movement. The students are actively cooperating with the Union of National Organizations, the Shanghai Commercial Federation and most of the Guilds. They are however, bitterly opposed to the Shanghai Chinese Chamber of Commerce which is looked upon as an organization with a tendency towards sacrificing Chinese interest for foreign favors.

The Union of Street Committees is daily becoming more powerful and is the greatest aid to the Students' Movement. This body consists of representatives of the shopkeepers on every street in Shanghai. These men cannot be considered as captains of commerce and industry in China, but they are a powerful factor in the political life of this city because in the aggregate they represent tremendous wealth and because they are closer to the masses than the great compradores and merchants in the Chamber of Commerce. The Union of Street Committee is waging a virulent campaign for Chinese representation on the Shanghai Municipal Council and they may call out at any moment a demonstration against the Municipal Council which will to a certain extent deflect interest from the anti-Japanese boycott. They are however, being advised by persons very strongly favorable to the Students's Movement and the anti-Japanese Boycott and it is not likely that they will do anything which may hurt American commercial interests in China. To my mind this is the most important body in Shanghai and should be very carefully considered in judging political potentialities here. Every member of the Union is pledged neither to buy nor to sell Japanese goods, but the Union feels that the activity of the Students should not be against the merchants who are

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already stocked with Japanese goods, but should rather be centered on influencing purchasers not to buy Japanese goods.

Two other important factors in this situation are the Chin Woo Athletic Association and the Labor Union. Both these organizations represent the laborers and the clerks of Shanghai. The Chin Woo Athletic Association is organized to encourage the study of boxing in China but it is going much further than that and is fast becoming an important social and political element in the life of Shanghai. It is also spreading to Hankow and Canton. The members of the association are turning themselves into a trained volunteer corps and will be in a position to shoulder arms should an emergency arise. They are also being trained in first aid, debating, calesthenics and every science which assists in political and military activity. The association is looked upon with favor by all elements in Shanghai and has recently received an anonymous donation of $30,000 for the purchase of a new athletic field. A motion picture film of the activities of the association has been shown here and will shortly be exhibited throughout China. It is also believed that the film will be released in America through the China Bureau of Public Information to indicate to Americans the revival of the manly art in China.

The Labor Unions are an unknown factor. So far as I can learn there are three simultaneous efforts toward organizing labor in this city:-

1. The Cantonese Guild through some of its members are encouraging Cantonese workmen to organize for mutual protection.
2. Mr. Hu Han-ming, the active leader of Dr. Sun Yat Sen's political organization has attempted to start a labor union along American lines but this has proved abortive because merchants and large industrialists threatened him with political extinction if he interfered with things outside of the province generally recognized as his.
3. Mr. Kentwell, a Eurasian from Honolulu who is a British barrister, has been organizing industries into unions along the lines of the American Federation of Labor. Mr. Kentwell has met with great success among the workers but there is every tendency here to distrust him and should any of his organizations take a definite action the local forces will be bound to eliminate him personally.

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SUBJECT POLITICAL CONDITIONS IN CHINA

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From present indications I am of the opinion that those opposed to Mr. Kentwell will succeed because he is recognized as a foreigner and the temperament of the Chinese to-day is not to brook foreign interference from whatever sources.

THE WINE AND TOBACCO LOAN.

The American bankers who recently visited Shanghai met prominent Chinese at the residence of Mr. Hugo Reiss where they learned much to their surprise that all patriotic forces in Shanghai were deeply opposed to any loan whatsoever. The attitude of the local Chinese was expressed by Dr. Sun Yat Sen, Mr. Tang Shao Yi and Mr. C.C. Nieh, perhaps the most prominent and conservative industrialist in this part of China. That Mr. Nieh was opposed to the loan came as a surprise not only to the foreign bankers but to the Chinese.

Immediately after this dinner the Wine and Tobacco merchants called upon the Shanghai Commercial Federation to boycott the loan and upon other public bodies to protest against it. The situation here was fraught with many dangers and a request was made of Mr. V. Meyer that statements be made by those interested in the loan to the effect that the appointment of Mr. Thomas as American Vice-President to the new Sino-American Bank does not involve a monopoly in favor of the British American Tobacco Company of the tobacco business of the country. It was also suggested that Mr. Bruce meet the representatives of the public bodies of Shanghai to explain to them the conditions surrounding the loan.

Meanwhile Dr. F. C. Tong, of the Shanghai Commercial Federation, discussed with Mr. Chun of the Wine and Tobacco Guild the situation and requested the latter not to take any anti-American action until the Americans had had an opportunity to make their position clear. This Mr. Chun promised to do on condition that Dr. Tong would submit on his behalf a memorandum to the American group dealing with the necessity of lowering the Wine and Tobacco tax in China in view of the fact that at present foreigners only pay a 5% duty while Chinese have to pay anywhere from 5 to 12% on similar commodities. Mr Chun said that at present dealers have to a certain extent to squeeze but that if the taxes could be reorganized on a scientific and fair basis, uniform throughout the land and helpful to this infant industry of the country, it would be a great boon to China.

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SUBJECT POLITICAL CONDITIONS IN CHINA

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There is no danger to American interests in this situation at present but I feel that it would be a serious mistake for America to make any further loans to the Chinese Government. At this time the Chinese people here are opposed to all loans and are ready to accept the proposal of both Dr. Sun Yat Sen and Mr. Tang Shao Yi that all political loans be boycotted for three years.

DEMOBILIZATION.

There is at present very little interest in the demobilization of troops, which is apparently the Premier's most important constructive measure, However, the lack of interest is more due to a desire to give the Premier an opportunity to make good than to a lack of public enthusiasm. Should the demobilization be carried out efficiently and honestly the Premier will gain the good-will of all elements in Shanghai. By Efficiency and honesty is meant: That for every demobilized soldier the Government must account for a demobilized rifle and one hundred rounds of ammunition. Should demobilization come to mean nothing more than paying off Tuchuns to eliminate the paper soldiers from their lists, there will be a strong movement in Shanghai which may result in the refusal of the merchants to pay taxes.

I am not in a position to discuss this matter in great detail because there has been no announcement from Peking with regard to the scheme for demobilization and therefore no definite stand has been taken by the local bodies but the demobilization issue is one that may bring about a revival in anti-Pekingism and may impede the conculsion of peace between the Peking Government and the masses in the large cities.

FINANCIAL MATTERS.

Since the organization of the Anfu Club the local compradores of the foreign banks have been using their financial power to curb the commercial activities of those who were opposed to Japan and to the Anfu Club. In this movement Mr. Chu Pao San, Chairman of the Chinese Chamber of Commerce and Mr. Fu Shao An, compradore of the Asia Banking Corporation and Mr. Shen Dien Fan, compradore of Gaston, Williams and Wigmore have been particularly active. The result has been that the liberal elements here have been financially in an unfortunate position. Some of them were on the verge of bankruptcy.

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SUBJECT POLITICAL CONDITIONS IN CHINA

From H.A. POLITICAL.

No. 2315 Date January 7th 1920. 19

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Since Mr. Chin has become Premier of the country, however, he has come to the assistance of this element, by subsidizing the Steamship Lines of Mr. Yu Ya Chin (Yu Ho Teh), by supporting an industrial bank in which most of the local liberals are interested and by sanctioning a Chinese stock exchange here. Heretofore there has been only a Japanese stock exchange. In addition to that the liberals will shortly publish a daily newspaper, the Shanghai Journal of Commerce, which will be well financed. These liberals are known as the pro-American group as against the pro-Japanese group represented by the conservatives and it is expected that from these financial undertakings they will gain strength to conduct their general anti-Japanese propaganda and to give them greater power in connection with the terms of Internal Peace.

My own observation on this matter is that the strength of this element really means the beginning of the middle class in China whose history and aims are not unlike the middle class which developed out of Manchester Liberalism in England. I feel that this is the element which has greatest potentiality in China and that it should be most ardently supported by the friends of China.

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OFFICE CHIEF OF STAFF
Executive Division
Mil. Int. Branch.

2657-D-38

FEB 27 1920

WAR DEPARTMENT

SUBJECT OFFICIAL ADMINISTRATION IN SHANTUNG

From H. A. POLITICAL.

No. 2322 Date January 17th, 1920, 19

Replying to No. Date FEB 17 1920, 19

POLITICAL

REC'D, M. I. B., C.

The following is a report by an American agent of this office whose knowledge of Chinese traditions, history people, politics and present conditions is equaled by few residents of China. This knowledge combined with his powers of expression make this and the other reports of this series on Shantung of great value.

He was sent Shantung for the sole purpose of investigating all matters pertaining to Sino-Japanese relations. This series of reports are the results of his observations. It is believed that they correct.

I arrived in Tsinan as an old friend of the Civil Governor of the province, and was received there, by appointment, by the American who had originally introduced him to me, Mr. Roy Anderson, whose knowledge of the Chinese language, of individual Chinese officials and of the intricacies of Chinese politics, is unrivaled in the country. Advised by Mr. Anderson of my coming, the Civil Governor, Mr. Ch'ü Ying Kwang (to whom I shall refer hereafter for convenience as Chuyingkwang), was moved by a spirit of hospitality to give me the best possible impression of his capital and used all his influence with his official colleagues to make my visit not only pleasant but profitable. The secretariat of his office was put at my disposal and in compiling information, which is attached to this general report, every department of the local government exerted itself to the utmost. His private secretary and adviser, a Mr. Hsu Tung-fan, whose usual duties occupy about 16 hours a day, was placed at my disposal to be of assistance in making official appointments and in gathering information, and to this gentleman I am much indebted for the facility with which I contrived to see and interview all persons in whom I was interested. The American Consul, Mr. N. D. Allman, who, in spite of the usual Chinese observation that he is young, immature, and therefore not to be trusted with grave secrets of state, is in excellent official standing, was also extremely hospitable and helpful and put all information at his before me.

The conversations which my former intimacy with the civil government made possible with him and other officials I consider the most valuable fruits of the trip, for they were largely upon Chinese-American relationships and were unusally frank, thanks to previous acquaintance and confidence. Popular report, even on the streets of Tsinan, which fails to take into consideration the difficult position of a Chinese official in a community which is a selected target for Japanese aggression,

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SUBJECT OFFICIAL ADMINISTRATION IN SHANTUNG.

From A. H.A. POLITICAL.

No. 2322 Date January 17th,1920., 19

Replying to No. Date, 19

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would have it that the Civil Governor, Chuyingkwang, the Military Governor T'ien Chung-yu (hereafter written Tienchungyu) and the Occupation Commissioner and Garrison Commander Ma Liang(lieut.-General) are all Japanese appointees and Japanese agents and that they are callously indifferent to Chinese interests and are so dependent upon the Japanese paid officials in Peking that, whatever their individual inclinations, they are bound to support a pro-Japanese policy in Shantung.

Thanks to previous intimacy with the Civil Governor, I knew this to be an absolutely false impression in his case, and thanks to the confidential relationship which he established between me and his colleagues, I have every reason to believe that it is equally false in their cases also.

During the term of my visit the American Consul made it possible for me to interview the president of the student's union, an organization of 4,000 members, and the editor of the most radical newspaper, sothat my impressions were not wholly one-sided. My general impression was that the official element was wholeheartedly in sympathy with the radical element in its opposition to shameless Japanese aggression,but that responsibility of office retstrained the former, while total lack of responsibility encouraged the latter to acts and expressions of thought which seriously embarassed the former, who have deal diplomatically with the Japanese,and that this difference of position had led to a difference of attitude which amounted almost to an open breach.

At an informal dinner, at which military governor, Tienchungyu, was the host, the Civil Governor encouraged his colleagues to a relation of anecdotes about their encounters with the Japanese illustrating the indulgence with which the Japanese officials, Consular etc., sheltered and excused the peccadilloes of their riff-raff constituency, and thus inspired b both General Ma Liang, generally regarded in radical circles as a Japanese agent, and General Tien-chungyu,launched upon a series of stories which in themselves constituted a more wholehearted damnation of Japanese policy in China than all the evidence which the United States Senate has yet had to consider in its debates upon the Shantung question. As Civil Governor Chuyingkwang remarked, after prefacing the sardonic statement that he was a Japanese appointee to his present post, if the American people could know as much of Japanese doing in the Orient as these anecdotes brought forth, or as much as any foreign resident of the Far East has stored in his memory, the German outrages in Belgium would seem puerile and trifling in comparison. General Ma Liang told on this occasion of the efforts which he had made to have a Japanese gambling house and a Japanese opium den, conducted under a full flare of lights opposite the entrance to the Japanese Garrison in Tsinanfu,closed and of the

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excuses made by the Japanese commander that such institutions were essential to Japanese revenue and the defraying of local expenses all in a Chinese community under Chinese jurisdiction. General Ma Liang also asserted that from his personal observation he did not believe that of the permanent Japanese population of perhaps 700 or of the total population of more than 8,000 more than 10 per cent were in legitimate business. Prostitutes, imported to corrupt Chinese morals, constitute a large proportion he assured me, while among the shopkeepers a very few who displayed signs advertising cotton goods, enameled wares etc. had more in their shops than small stocks of opium and morphine and the hypodermic syringes incidental to their traffic.

It was particular effort in dealing with these various Chinese officials in group, to avoid a discussion of international affairs but to ingratiate myself as far as possible and gain their condidence, for it must be understood that in China, where all are opportunists, without policy or political ethics, much more can be accomplished through an appeal to friendship than through any citation of principles and that a personal relationship between an American and a Chinese is much more likely to sway the Chinese in his judgement and actions than any national consideration or thought of policy. Of this the Japanese have taken full advantage.

Under the present system of administration the Chinese province is governed by a Tuchun, a military governor, whose authority is supreme, who holds his position by virtue of his command over a certain number of troops, and beside whom such functionaries as the Civil Governor and the local military commanders are of little account. To this rule Shantung is now the exception. There are three men of power and influence in the province who must be taken into consideration, all of whom are likely to exert more or less influence upon China's immediate future since Shantung is a point of immediate contact with the Japanese. Of these the Civil Governor certainly takes first place, both politically and by virtue of superior sagacity. Military Governor Tienchungyu comes second, though he has yet to declare himself in his new post, and Garrison Commander Ma Liang is an interesting figure who may easily eclipse the Military Governor in importance in any subsequent crisis.

CIVIL GOVERNOR CHU YING KWANG is the youngest man of his official rank in China. He was governor of Chekiang province at the age of 34 and now, at the age of thirty-eight, he has been deputed to sit upon what is generally conceded to be the powder barrel of China. For several years past he has been living in retirement in Peking, acting as an adviser upon southern affairs to General Chin Yun-peng, the present premier, and to Marshal Tuan Chi-jui, the ex-Premier and the grand controller of the

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northern military party which has been responsible for so many Sino-Japanese loans of evil repute. Chuyingkwang came into office ~~last~~ last summer as civil governor of Shantung at a time when the whole notthern party was believed to be committed to the advancement of Japanese ends, and was popularly regarded as a Japanese tool if not actually a Japanese appointee. His appointment was however secured through the influence of Mr. Pan Fu,(now Vice Minister of Finance) a wealthy and intensely patriotic native of Shantung Province and through the influence of General Chin Yun-peng,now premier,who is a fellow townsman of Mr. Pan Fu and who has since made a feeble effort to organize among the northern militarists an anti-Japanese faction in opposition to the strong pro-Japanese element led by General Hsu Shu-cheng,("Little Hsu") Marshal Tuan Chi-jui's favorite and most able lieutenant. Chuyingkwang took up his post as a suspected Japanese agent in a few months,without the support of his constituency,which still suspects him,has been able to eject from the province his superior, the military governor Chang Shu-yuan,who was a faithful representative of the pro-Japanese General Hsu Shu-cheng, and to have appointed in his place General Tienchungyu,formerly governor of the semi-Mongol district of Chahar,governed from Kalgan.

Chuyingkwang has undoubtedly sacrificed the support of the stronger element of the northern military faction under the leadership of the pro-Japanese Hsu Shu-cheng and if his sponsor the present premier Chin Yun-peng falls from grace his position will certainly be precarious, but in the meanwhile, in spite of the popular conviction that he is a Japanese agent he is certainly making every effort to maintain Chinese prestige in Shantung where Japanese aggression, sanctioned by the terms of the Paris Peace Conference, has given agents all confidence and what they interpret as a free hand. He is not a man to make an open declaration of war upon Japanese interests or to openly avow any particular policy but I have been convinced for years that he is one of the cleverest officials in China and I believe that in a subtle Chinese way he will prove to be one of the most dangerous enemies to Japanese interests in Shantung if he is permitted to hold office. His attitude towards both America and Japan is expressed in interviews which I had with him and which I shall report later on.

T'IEN CHUNG YU

TIENCHUNGYU,military governor,who assumed office December 26th, was to all intents and purpose Chuyingkwang's candidate for the office and will presumably act under the latter's direction during his tenure of office. Tien is a man of strength of character and great determination, amounting to stubbornness when he is crossed, but has no great intellectual attainments. He is regarded

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by the Chinese as a bluff and honest savage, who will serve as a strong instrument in the hands of such a consummate intriguer and diplomat as Chuyingkwang. The radical press heralds him as another Japanese employee but I have heard him recite in a veritable seeat of emotion his encounters with Japanese officials and nationals in his previous posts in Soochow and Kangan and have heard him assert with the stubborn determination which is characteristic of him that they will make little profit out of him in Shantung, so I doubt if they will gain much through his assumption of office unless it is by provoking him to some act of desperation in which he will forget to be guided by Chuying-kwang's diplomacy.

GENERAL MA LIANG

GENERAL MA LIANG is the commander of about 15,000 troops, belonging to the 2nd Division and a Mixed Brigade, elements in what is now known as the Frontier Defense Army. This force as a whole is generally regarded as little better than a Japanese auxiliary force and is looked upon with both jealousy and resentment by all military factions in both the North and the South. It was originally created as the War Participation Army, then when the war failed to furnish an excuse for its existence, it became the National Defense Army and still later, when General Hsu Shu-cheng, serving Japanese interests, decided to use Mongolia as a field for further concession selling to the Japanese and as a base for his control of the Peking Government, it became the Frontier Defanse Army. Now while General Ma Liang is the commander of such an important element in this army, it seems very doubtful indeed whether he knows or cares anything about the political purpose behind its organization. He is a man of a most peculiar temperament, understood by few; sincere in everything he does, he is much more easily lad than driven. Tactless opposition drives him to a frenzy and prompts him to outrages which have made his name execrable in the ears of the leader of the present popular movement, but on the other hand a very little flattery and cajolery makes of him a ready instrument and this, the Japanese recognizing, accounts for most of the conduct which has branded him as pro-Japanese. He is very loyal to his friends, outspoken upon all subjects and almost recklessly courageous in the face of any danger.

General Ma Liang is a Muhammedan, 48 years of age, and is a native of Paotingfu, Chihli Province. He has held many high military posts and was for many years an instructor in the military academy at Paotingfu. The post of Governor of Shantung was offered him by Yuan Shih Kai in 1915 but he refused it, and it is generally conceded that he has no particular ambition but takes more delight in military instruction than in anything eles.

A hobby, which amounts almost to an obsession with him, is the/

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is the revival of China's antique system of military training, which includes the native wrestling and boxing, still assiduously studied in Shantung upon which the Japanese system of Jiu-jitsu founded. The men who pass through his system of training are expert wrestler and boxers, are expert in the use of such weapons as the broad sward, the sabre, the lance, the halbert, the quarterstaff, and many other antique weapons peculiar to Chinese armament. Their agility and physical endurance is remarkable and they test themselves by cracking paving stones on their backs and heads and breaking bricks on their faces and between their fingers. This has to be seen to be believed and to impress me General Ma Liang held a review of several hundred of his men going through their exercises and tests. This show lasted for several hours and a more amazing performance of skill and strength and endurance I have never seen. As a result of eighteen years experience in such training General Ma has compiled a number of books on his military and semi-military drills, copies of which he presents to all who seem interested. In the last decade he has trained more than 150,000 men in these exercises and between 30 and 40 thousand school children. The Japanese pretend to a great interest in this revived military "science" and have sent nearly every officer stationed in Shantung to witness his reviews and exhibitions, thereby gaining some hold upon General Ma's regard. As he is supposed to be anti-American and to have cast in his lot with the Japanese, I went to Tsinan with the definite purpose of ingratiating myself with him and of seizing every possible opportunity to put in a good word for America. My enthusiasm for his system of training and my expressed intention of bringing some American officers to see his show made an impression upon him and at a later conference I had an opportunity to discuss Muhammedanism sympathetically and at the same time to lecture on international politics. General Ma became so friendly on the basis of these talks that he finally confided to me that he had laboured indefatigably for twenty years on his system of physical and military training in the hope that it might put a little backbone into the Chinese people and enable them to resist foreign incursions and aggressions and that he had consistently refused to teach any branch of it to the Japanese though he had received many requests for instruction. He said however that he believed America's friendship would be valeable to China and that the introduction of his "science" into our system of military training might serve to cement an alliance, so that he would be glad to undertake the soleum duty of instructing us in ancient Chinese tactics. He would take a hundred men to America if we liked and introduce it or he would begin by initiating the American Legation Guard in Peking into the mystery of his teachings. I expressed great appreciation of this offer, which

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I could see was made with sincere enthusiasm, and said that an essential step towards introducing his teachings would be a visit from the military and naval attaches, so that they could view with their own eyes the marvels that I had beheld and in that manner be convinced of the genuine merits of his system. I promised to use all possible influence to have our attaches visit Tsinan with me and witness the show. General Ma came to the railway station when I was leaving to hear me reiterate this promise and was pathetically eager and excited about it. I have not the slightest doubt that if I could fulfil this promise and if a few American officers were to go to Tsinan and enthuse over his show, General Ma, whose influence among military leaders of the old school is gteat, would be inseparably attached to American interests and might prove a valuable ally in Shantung. Allowances must be made for his evident simplicity of mind and it must be remembered that in him the Chinese do not see an eccentric faddist but an excellent scholar and an accomplished military leader of great courage and determination. He confided to me that he had the faculty of seeing prophetic visions and of interpreting his own dreams, which will probably afford some clue to the nature of his mind. In addition to what I have written of this man I can only add that he is fairly consumed with energy, that he sleeps four hours only a day, eats a minimum of the simplest food, treats his soldiers as his "little brothers" but exercises an iron control over them, In newspaper reports he is represented as the personal enemy of the Civil Governor and as a jealous rival of the new Military Governor. I had several opportunities of seeing all three together and of hearing discussions of business and policy and, if I am any judge of Chinese I should say that General Ma is entirely ready to cooperate with both of his superiors and will probably work exceedingly well with Military Governor Tientchungyu, while Civil Governor Chuyingkwang finds Ma rather trying at times on account of his eccentricities but will cultivate him and make use of him because of his standing among the older military men and because of his manifest ability to control troops.

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From: M.A. POLITICAL.

No. 2321 Date January 17th 1920. 19

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FEB 17 1920
REC'D, M. I. B., C.

This article is written by an American, whose knowledge of China and the Chinese is equaled by very few indeed. He has been a resident of China for eight years, speaks the language fluently, has travelled extensively and certainly has the best interests of both American and China at heart.

All foreign residents in the Far East have been watching during recent years, with feelings of increasing irritation and resentment, the growth and expansion of Japanese interests in China and the corresponding decrease in Occidental influence and prestige. When Japanese interests expand, they expand both politically and commercially. Where Japanese commercial interests gain a footing, military and political interests are their closest camp followers. Where military interests are aggressive, political and commercial interests are well cared for, and where political interests win a concession for themselves, the military find a comfortable footing and commercial interests expand under the most jealous protection.

It is absolutely impossible at any base of Japanese operations in China to distinguish between military, political and economic interests. A theoretical divorce of these various interests has been useful to the Japanese in Paris, where there has been much talk of the economic rights which Japan is to have in Shantung, but to anyone who has lived in China, such a divorce of interests on the part of the Japanese is wholly incomprehensible. Japan now has three big bases for expansion on the China coast, Fukien, Shantung and Manchuria, and the promise of a still bigger field on the north in Mongolia. The prospect of the advance which Japan has been making from these various bases in all her lines of endeavour has been exceedingly depressing to interested Occidentals because of the experience common to all, that the establishment of a Japanese right means the extinguishing of all rights for all others; that Japanese trade supremacy means trade monopoly, and that supreme Japanese political influence means Japanese control. In the course of Japanese expansion, China has suffered pretty severely in the loss of national property, national independence, and international prestige, and has shown so little inclination or ability to take care of herself that the interested observers who find themselves damaged in one way or another through China's incapacity to keep the door open, are often out of patience with China, and are inclined to think that a people who do nothing to save themselves are

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are scarcely worth saving, and that if China is not to be wholly abandoned to the Japanese as Korea was, there only two alternative policies to pursue, the first, to pick a fight with Japan and drive her out of her holdings, both economic and political, and the second to compromise with her and cooperate as far as she will permit it, in the exploitation of China. Nearly all who are interested, diplomats, merchants and mere lookers on, have almost given up hoping that China will evolve into a real nation with a real government, strong, honest and courageous enough to keep her doors open to international trade; and those who think at all about Oriental affairs are either vacillating between the three schemes - (1) of abandoning China to the Japanese, (2) of fighting the Japanese, (3) of compromising and cooperating with them - or having no thoughts or policies in the matter whatever, are making a feeble effort to compete with them through emulation of their methods. This last alternative, without a policy, seems to have been taken up during recent months by the diplomatic representatives of most of the Occidental nations which figure in Peking. To prove that such activities are bound to be not only futile, but extremely dangerous and that a definite far sighted policy is most essential to all Occidental interests, and particularly to American interests, not only in the Far East but in every bit of the Pacific west of the three mile limit, is the immediate purpose of this effusion.

China is only nominally a democracy. It is a country in which through lack of communications and proper educational facilities there is no articulate public opinion and therefore no representation of public interests It is a country governed by groups of military leaders who hold their high positions through their ability to control useless armies of shabby, illiterate coolies. These leaders are so busy fighting out their local feuds and maintaining their positions that they have neither the time nor the inclination to study either local or national public interests and are forced to confine their energies to the struggle for self preservation. They have no policy for they are opportunists, changing their colors like the chameleon from day to day, and shifting their allegiance from group to group as expediency dictates, making alliances as petty as their wars, and as devoid of policy, as we understand it.

Japan has found this state of affairs well suited to the advancement of her interests. Selfish and irresponsible Chinese officials have found that by accepting Japanese financial support and by granting the Japanese concessions in return for loans they were able to maintain

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themselves in positions of power and security. The chaotic condition of the government has made united effort against Japanese aggression impossible and this has been so valuable to Japan that it has been her whole policy to keep disorder at the highest pitch by financing at various times the various elements which promised to create the most trouble. Through the pursuit of this policy Japan has alienated the Chinese people until now all the literate classes regard Japan as the national enemy and are slowly but surely organizing against her and against the Chinese militarists who have served Japan.

Japan is a frankly militaristic and imperialistic nation. Her position in international affairs has been earned through military achievement and her rulers believe that her future prosperity and prestige will depend upon the maintenance of her military supremacy in the Orient. To this, for economic and strategic reasons, a control of Chinese resources and a predominating influence in her political and military affairs is absolutely essential. For Japan to be strong China must be weak. This is the root of Japanese policy and in Japanese minds the end justifies any means.

This is a game in which democracies cannot compete. Emulation of Japan's policy on a big scale by either the diplomatic agents or the merchants of America, for instance, would be amply advertised by the Japanese and by others as well and would be promptly condemned by both the American Government and the American people. Emulation on a small scale only makes us ridiculous in the eyes of the Japanese and of the Chinese politicians who work with them and makes patent to these latter our weakness in a contest in which we have no business to enter. The worst enemies of the Chinese people are their governors, particularly their military over-lords. Japan finds it worth her while to cultivate these rulers and to ignore the hostility of the people, because she is in a position to play the game on a big scale and is reaping big rewards in her hold upon Chinese resources, communications and the like. It is folly for us to attempt to find allies in Chinese officialdom to work with us in enterprises similar to Japan's because Japan can always outbid us with the full approval of both her rulers and her people and can secure the fruits of such labours with a show of military force upon Chinese soil which is not available to us and which would never be made available if our government and people were aware of the methods pursued and the purpose behind the deal, or if they were convinced that it had merited and earned the hostility of the Chinese people. The Japanese can lend

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a group of Chinese militarists 50 millions, obtain a mortgage on a railway or so or a group of mines, and after earning the lasting enmity of the Chinese people who are getting to be articulate in their expressions of opinion, ignore them with the full consent of their government and the support of Japanese public opinion and protect their holdings with garrisons planted on Chinese soil. Spurred to emulation, we lend the same group of officials 5 millions, get little or nothing in return, finally fail to put the deal through and back down before the opposition of Chinese public opinion, condemned for trying something not in our line and despised in Oriental eyes for failing to put it through. The history of American enterprises in China during the last five years is a record of failures. Crooked deals, modelled on a Japanese pattern, have met with the same fate as honest commercial enterprises. The time has come when no Chinese of influence, unless he happens to be ruled out of the close circle of those who share in Japanese profits, will associate himself with an American enterprises except as a speculation and then the takes care to withdraw as soon as it appears that the enterprise is in any way endangered. On the other hand Japan's record is a record of successes. We cannot envy them because these successes have been achieved by means which neither American diplomatic policy nor American public opinion could possibly sanction; but we have to admit that the Chinese who associates himself with a Japanese deal stands by it to the last because experience has taught him that the Japanese will make good on every undertaking no matter how scandalous, while the Americans fail in everything, no matter how reputable and that their failure is particularly ignominious in deals which will not bear close inspection. Japan through her system of acquiring and protecting investments in China has earned confidence through success with the element now in power, and though this success has earned her the hatred of the Chinese masses, it has also earned their respect, which is all that Japan demands. No Occidental nation is in a position to earn neither the same confidence or the same respect, because the agents of no Occidental nation will receive the same support in similar projects; therefore it is absurd for England or America or France to attempt to compete with Japan on her own terms.

Since we cannot play Japan's game, since we cannot play it secretly because small stakes make no impression upon China's present governors, and since we cannot play big stakes because our own people will not support us, we cannot play with China's present rulers, who are wholly unrepresentative of Chinese public opinion. Our diplomatic representatives must neverthless be accredited

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to something and since Chinese public opinion has not yet evolved a government which we can recognize, we have to find something which we can recognize 'de facto'. Because official procedure forces us to recognize a government 'de facto' which we know thoroughly well is no government at all, our diplomats find themselves accredited to whatever happens to be in vogue in Peking, however unrepresentative it may be of China or of the aspirations of the Chinese people. That they find themselves so accredited is by no means sufficient reason why they should trifle and dicker with the government that happens to be in power in Peking, or why thy should commit American policy to a recognition of the militaristic institutions which Japan is supporting in Peking. Because Japan, operating in a country without a representative government, has been fit to create a government according to her tastes is no reason why our diplomats should seek to give it "face" and prestige by approaching it diplomatically through Japanese methods of procedure. Lacking such procedure, our diplomats believe that there is nothing for us to do but watch Japan's manoeuvers upon the Chinese stage with folded hands, or get out, or drive the Japanese out of accept whatever the Japanese cared to share with us through cooperation. It would seem that it never occurs to our diplomatic agents or to our commercial folk that we might develop a policy of our own consistent with our own national ethics and above the standard which Japan has set for us in the Orient. It never occurs to us that we could of our own initiative do better than yield before Japanese impudence or emulate Japanese rottenness and that we might create a policy of our own which would be consistent with our dignity and at the same time command the respect of Orientals.

Japan has bought Chinese officialdom, terrorized the Chinese Government, such as it is, and has antagonized the Chinese people, but she has achieved a reputation for success while we, in various petty endeaors have achieved a reputation for failure. The Japanese are indifferent to Chinese public opinion because through their much condemned deals they have obtained a hold upon the mineral resources and the communications of China which will stand them in good stead in time of war and because they are now in a position to command through their agents in Peking a Chinese alliance with Japan in the event of a Japanese war with any Occidental power.

This fact is fully realized by all thinking Chinese and disturbs them greatly. Intelligent Chinese, with a better appreciation of Japan's strategic position in the Orient than the average American, know that if Japan ever reduces China to the status of a docile auxiliary her position in the Pacific will be almost impregnable and that American interests will never exppand beyond the California Coast without the consent of Japan; while if Japan is ever recognized by America/

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as the master of the Pacific China's independence and national integrity will be gone.

Chinese and Japanese of ordinary intelligence understand perfectly what is hidden from all Occidentals but naval and military strategists. Chinese independence from Japanese control is absolutely essential to American free trade in the Pacific Ocean and American free trade and freedom of action in the Pacific west of the three-mile limit is wholly dependent upon China's independence and strength.

A study of the map of the Far East should be sufficient to convince any amateur strategist that a war between Japan and any Occidental power, except perhaps a reorganized Russia, would be a very expensive affair and one in which Japan would start with tremendous advantages if she saw fit to stand upon the defensive. Off the coasts of Siberia, Korea and China, Japan has an unbroken string of islands from Formosa to the Arctic, ending in Sakhalin. In the event of war, Japan could keep her fleet behind this natural barrier, keep upon open communications with China and Korea and live upon the resources of these countries for an almost interminable period. The military strength of an opponent would not figure at all because without a vastly superior naval strength, it would be impossible to land men on any of the Japanese islands, and there is no single nation could spare a fleet sufficient for such an undertaking. Belligerently inclined Occidentals in the Far East who are convinced that war with Japan is not only inevitable but desirable, get much satisfaction out of the great military strength which America showed during the European war, and out of the growth of the American Navy, which is now double that of Japan, believing, as one often hears, that the American Fleet could come over at almost any time and blow the Japanese Fleet out of the water. It seems almost inevitable, however, that if America or great Britain, or any other power, were involved in a war with Japan, the latter country would see fit to keep her Fleet in the various seas behind her long barrier of islands, and to force her antagonist to expensive sacrifices in trying to rout her out. The American Fleet in the Pacific is about three quarters the strength of the Japanese Navy. Transporting this Fleet to Japan would rob it of a-bout thirty percent of its efficiency, so that its strength would be just a little more than half that of the Japanese Navay. The Atlantic Fleet could of course be brought into the Pacific, but no such move would be made until America had assurance from every European Power of any strength of its absolute neutrality. Even then our effective strength in Japanese waters would be little more than Japan's, and the Japanese Fleet would have all the advantages of cover and of a ready supply of the materials of war close at hand.

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A decisive victory over Japan under such conditions could only be accomplished by some very rash and very brilliant move on the part of the attacking force, and if a few attempts at such movements were costly in ships, Japan would have an advantage which would virtually amount to a victory.

In sustaining such a defensive contest, Japan would rely very largely upon having Chinese resources at her command. The Japanese islands are not very productive of the minerals which go to make munitions of war, and at present Japan's own food supply scarcely meets the needs of her people. Her power of endurance in a prolonged conflict would therefore depend very largely upon her ability to get at the iron and coal deposits in China, upon which she now has a monopoly, and to keep communications open both by land and water. In the event of war, therefore, China's neutrality would be embarrassing and Chinese hostility might, if the pressure were strong enough from without, be almost fatal. It is to Japan's interest, therefore, to arrange matters in such a way in Peking that upon a declaration of war between Japan and any foreign power, the Chinese government could be forced into an alliance with Japan. If the Chinese Government were a democratic institution, controlled by intelligent public opinion hostile to Japan, it would not be easy to force it into an alliance, and Japan, pressed for the materials of war, would find herself forced to make war upon China. If China were then as now, weak and thoroughly disorganized, this might not be much of an undertaking and would inconvenience Japan little more than an alliance. But a strong China hostile to Japan at such a critical time, could be of enormous service to whatever other enemy Japan had in the field. This in itself is a sufficient explanation of Japan's policy in China. First of all China must be weak and disorganized. Secondly, the growth of democratic government must be hampered. Thirdly, the Chinese military force amenable to Japanese discipline, must be organized as a weapon with which to force an unwelcome alliance upon the Chinese people. Fourthly, Japan must have strong bases on the China coast, such as Foochow, and Tsingtao, with good communications leading into the interior, so that a hostile China could be properly controlled and subduced, and so that food supplies and materials of war would be stored and shipped under efficient Japanses protection.

All of this the Chinese see clearly and they look forward with horror to the possibility of a war between Japan and any foreign power, believing that under existing

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conditions, such a conflict would be the end of China's national existence. If Japan were victorious in such a war, China would at once find herself in the position of a Japanese dependency, while if Japan were defeated, China as her ally (the Chinese are convinced that such an alliance could be forced upon them) would be led to expect if not actual dismemberment at the hands of the powers, a degree of foreign control which would only be less irksome than Japanese rule.

In the face of such a possible catastrophe, China has no policy, though it would not be difficult for America to make a policy for China if the Chinese people had any assurance that America would shape for herself a strong and consistant pro-Chinese policy.

As long as Japan feels that through her control of China, her position in the Orient is impregnable, there is no hope of binding her to a strict observance of the principle of equal opportunity in the Far East, and at the same time there can be no security for American expansion and trade development in any part of the Pacific. A well organized Chinese Government, controlled by Chinese public opinion, would on the other hand so materially weaken Japan's strategic position that it would be a simple matter to maintain the Open Door in China, and to secure American trade and development in the Pacific against Japanese meddling. It is therefore apparent that a strong China is imperalistic ambitions, and by a strong China we mean one which democratic institutions control, and not one governed by a small militaristic clique, which Japan could bully or buy.

Since China's welfare is essential to America's future welfare in the Pacific, both political and commercial, the kind of a policy which America should shape for the Far East and should adhere to consistently with all her strength, is clearly indicated. We should give our strongest moral support and encouragement to every movement among the Chinese people which indicates an awakening of national consciousness. We should lend no money, sell no supplies and give no moral support of any sort to the Chinese militarists who are Japan's most efficient agents in her work of blocking progress in China, On the other hand, we should use every effort both through diplomatic influence and through propaganda, to discredit the militarists in the eyes of the Chinese people. Every American investment in China should meet with the approval of those classess of Chinese which are opposed to the militarists, and are endeavouring to build up democratic institutions, and whenever it is possible, such investment should be of a character directly beneficial to the Chinese people in their struggle towards democracy. It is commonly

recognized/

SUBJECT WHAT AMERICA'S POLICY SHOULD BE

in China.

From H.A.

No. 2321 Date January 17th, 1920, 19

Replying to No. Date, 19

17--- POLITICAL.

recognized that there can be no democracy in China until modern education and good communications are available to the people in every part of the country. China needs railways, telegraphs, schools, newspapers and small industries more than anything else. Our whole attention should be given to the encouragement and development of such institutions. At the same time, American business people should be given to understand that trading with Chinese officials and selling them materials and supplies which are of no possible use to the Chinese people, but which are on the other hand designed to strengthen the hands of the militarists against the people, is trading with the enemy and are disloyal to America's best interests.

In China personal relation play a larger part in public affairs than in any other country. It can be readily understood that among officials especially, who are not guided by any particular principle or policy in the conduct of public affairs, an appeal in the name of friendship carried much more weight than it does in countries where official duty and responsibility are taken more seriously. Careful attention should be paid to this in China and American diplomatic and consular officials should be chosen with a view to their adaptibility and should be instructed to spare no pains in establishing close friendly relations with as many Chinese of all classes as possible. To this end a knowledge of Chinese is essential, and it should be America's policy to see that every American who intends to reside for any length of time in China, acquires some knowledge of the Chinese language, and that every American official has the time, the funds and the opportunity to travel about in China and make himself known personally to the greatest possible number of Chinese officials and men of influence.

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OFFICE CHIEF OF STAFF
Executive Division
Mil. Int. Branch

2657-J-57

APR 8 1920

WAR DEPARTMENT

SUBJECT MACAO BOUNDARY DISPUTE BETWEEN PORTUGAL AND CHINA.

From H. A. POLITICAL.

No. 2378. Date February 16, 1920., 19

Replying to No. Date, 19

REC'D, M. I. B., O. C. S. APR 7 1920

59 - FOREIGN

Attached hereto is a copy of a report by the Consul General at Canton to the Secretary of State on the Macao Boundary Dispute together with blue print showing the parties involved.

Owing to the fact that the Siberian, Shantung and the Thibetan questions are of so much more importance to China, this dispute with Portugal has caused very little attention to be paid to it here in Peking.

COPY

AMERICAN CONSULATE GENERAL
CANTON, CHINA.

January 30, 1920.

THE MACAO BOUNDARY DISPUTE.

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

The relations between the Military Government at Canton and the Portuguese Authorities at Macao have been somewhat strained of late due to the action of the latter in filling in the tide flats between the mainland and Green Island for reclamation purposes.

The map hereto attached gives, in red, the original boundary of Macao at the time the sovereignty of Portugal over the peninsula was first recognized by the Imperial Government of China in 1887.

The

SUBJECT MACAO BOUNDARY DISPUTE BETWEEN PORTUGAL AND CHINA.

From H. A. POLITICAL.

No. 2578. Date February 16, 1920., 19

Replying to No. Date, 19

THE MACAO BOUNDARY DISPUTE

The land encroached on by Portugal since then and now conceded by China as belonging to Macao is shown in yellow and that portion which Portugal is regarded as being wrongfully in possession of is marked in violet. The tide flats now being reclaimed by the authorities at Macao, against the protest of both the Northern and Southern Government resulting in Canton sending two gunboats and 2000 men forcibly to prevent further operations, are shown by dotted lines.

China contends that, since the boundaries of Macao have never been formally agreed upon, any addition by Portugal to the territory of Macao is contrary to Article 2 of the treaty of March 26, 1887, which reads "It is stipulated that Commissioners appointed by both Governments shall proceed to the delimitation of the boundaries, which shall be determined by a special convention; but so long as the delimitation of the boundaries is not concluded, everything in respect to them shall continue as at present, without addition, diminution, or alteration by either of the parties."

Happily, the Portuguese authorities have sent a delegation to arrange an amicable settlement of the whole question with the officials at Canton and a conference was held at the headquarters of the Military Government on Tuesday, the 27th instant. The representatives of the Governor of Macao were: Senor Amadeu Silva, Portuguese Consul General for Canton and South China, Senor J. Canha Gomes, Chief of Staff of the Macao Government, and Senor Jose Vicenti Jorge, Secretary for Chinese Affairs of the Macao Government, accompanied by the British Vice Consul. Those acting for the Military Governor were: Dr. C. C. Wu, Vice Minister for Foreign Affairs and Mr. Frank W. Lee, Chief of the Political Department of the Foreign Ministry.

The Portuguese officials submitted a form of agreement supported by the British Vice Consul, Mr. E. G. Jamieson, reading:

"1. The Portuguese and Chinese Governments bind themselves to appoint a commission to settle the whole question of delimitation such commission to have the first sitting within four months.

2. If the commission appointed by the two Governments does not come to an agreement within three months, the two Governments bind themselves to submit the matter to arbitration.

3. as/

SUBJECT MACAO BOUNDARY DISPUTE BETWEEN PORTUGAL AND CHINA.

From H. A. POLITICAL.

No. 2378. Date February 16, 1920., 19

Replying to No. Date, 19

THE MACAO BOUNDARY DISPUTE

3. As soon as the commission appointed by the two Governments begin to discuss the matter, the works to the north of Green Island to stop until the delimitation be concluded.

4. The Portuguese Government binds itself not to bring before the commission, as an argument of its rights, the work done before the date of the first sitting of the commission."

The Military Government proposed, for acceptance, a memorandum as follows:

"1. Pending the delimitation of the boundary, no bulding or dredging operations or the placing of buoys shall take place in the disputed territories on land or water, excepting work absolutely necessary and essential for keeping the harbor open for the passage of steamers determining of which a delegate shall be sent by the Canton Government to Macao.

2. Chinese warships shall not be troubled with formalities of signing papers.

3. Chinese authorities will issue proclamation emphasizing pacific character of recent reenforcements."

Another meeting of the delegates is shortly to take place when it is expected a satisfacory settlement will be reached, the Governor of Macao consenting, in the meantime, to cause all further dredging. He has, further, telegraphed to Lisbon requesting to be authorized to open negotiations with China for a final delimitation of the boundaries of the Colony.

I have the honor to be, Sir,

Your obedient servant,

/S/ Leo Bergholz,
Consul General.

Enclosure:
Map referred to.

715.

Number of copies: 3

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OFFICE CHIEF OF STAFF
Executive Division
Mil. Int. Branch
APR 12 1920
2657-D-67
WAR DEPARTMENT

SUBJECT: POLITICAL CONDITIONS IN HONAN.

REC'D, M.I.B., O.C.S. APR 6 1920

From: H.A. POLITICAL

No. 2423 Date: March 9th, 1920. 19

Replying to No. Date 19

17 - POLITICAL

The following report on political conditions are about Kaifeng, Honan, should be read in conjunction with report No. 2405, this office, March 3rd, 1920. The data given herewith comes from a most reliable source.

H. E. Chao Ti did not belong to any party in particular until the appointment of General Chin Yun-O, Premier Chin's brother, as Commander of Peiyang at Chengchow.

H. E. Chao Ti's brother Chao Chieh went to Peking in about January to secure the post of Sheng Chang of Honan. He is said to have offended Tuan Chi-jui by his usual boorish behaviour. Tuan, it is said, never liked Chao Ti, he only tolerated him. Chao Chieh's behaviour and political intrigues on the part of Hus Shu-cheng (little Hsu) and the Anfu Club brought matters to a crisis.

The Anfu Club are said to be intriguing for the downfall of the President, and ascendancy of General Tuan Chi-jui and with him his henchman Hsu Shu-cheng; Chao Ti was supposed to be a man without any back-bone and they thought his removal would be easy. He, however, had already made overtures to the Chihli faction includging Chang Tso-lin on the appointment of Chin Yun-O at Chengchow. He was not altogether unprepared. He had made overtures to the Chihli party. The Anfuites there-upon pressed matters and three mandates were presented by Chin to the President for approval and signature. The first was for the appointment of Wang Yin-chuan as Civil Governor of Honan. The second was for the dismissal of Chao Ti. The Third was for the apppintment of General Wu Kuang-hsin, brother-in-law to Tuan Chi-jui. Wang's appointment was approved but the President refused to dismiss Chao Ti.

The President/

SUBJECT POLITICAL CONDITIONS IN HONAN.

APR 6 1920
RECD, M.I.B., O.C.S.

From H. A. POLITICAL

No. 2423 Date March 9th, 1920., 19

Replying to No. Date, 19

The President is a native of Honan and knows that the removal of Chao Ti would lead to blood-shed. Besides he is in need of the support of the Chihli party.

H. E. Chao Ti would have given up his post without resistance but his brother and other militarists are averse to his giving up the situation without a fight, if fight it must be! Chao Ti, however, insists that there should be no aggression on his part, the dismissal and attack should come from the opposition side! His troops are being concentrated towards the capital, but point like Chengchow and Honanfu are studiously avoided, the troops marching overland and making a detour whenever necessary.

Declaration of independence was advocated by certain persons. The Tuchun had turned the proposal down and preferred waiting until actually dismissed by Mandate. He was right, things have taken a better turn.

Troops: The I-chun, Hung Wei-chun, Lu Chun, Hsun Fang-tui, etc., etc. of Chao Ti's troops continue their march overland, concentrating at and guarding certain points near the Capital. The Kaifeng city now depends on the most loyal and reliable troops, the I-chun'. The danger of the looting of the city has been reduced to the minimum by the removal by the Tuchun of all troops of a doubtful reputation.

Chengchow: The following troops are at Chengchow:-
General Chin's Peiyang Luchun about 1,000 men.
Fengtien troops under General Tsou Fen about 1,500 men.
Residue of Chang Ching-yao's 7th Division under his brother.

Honanfu: About 14,000 men of the Hsi Pei-chun (under the Central Government) are at Honanfu.

Sinyangchow: Wu Kuang-hsin has got about 5 ying of his body-guards and advance troops at Sinyangchow.

A league of the Tuchuns of the following Provinces is said to have been formed to resist the Anfu Club:-

1. Tung San Sheng (3 Provinces) under Chang Tso-lin.
2. Kiangsu, Hupeh and Kiangsi, the Yangtze Tuchun, counted as one Province.
3. Chihli under Ts'ao K'un and
4. Honan under Chao Ti.

This League is named "Ssu Sheng Lien Meng" or" Tung Meng".

Chang Tso-lin/

SUBJECT POLITICAL CONDITIONS IN HONAN.

From H. A. POLITICAL

No. 2423 Date March 9th, 1920., 19

Replying to No. Date , 19

Chang Tso-lin is dead against little Hsu and, therefore, Tuan Chi-jui and the Anfu party. He is said to have promised neutrality and every help afterwards to Chao Ti. His men are undoubtedly in sympathy with the Honan Tuchun Chao.

Ts'ao K'un has already spoken through his mouth-piece Wu Pei-fu in Hunan. A representative named Ting has been despatched by Chao Ti to Paotingfu on the 2nd.

Chang Hsun is said to be very active collecting his former dispersed bandits through his henchman Chang Wen-sheng at Suchowfu. Chang is now the Defence Commissioner there and is said to be ready to join in the fray should his former master so wish. Persistent rumours says that Chang Hsun himself is now at Suchowfu. His delegates is reported to be in Kaifeng. I believe there certainly is something in all this.

This strong conbination of the 8 Proviness with Chang Tso-lin, the Yangtze Tuchuns, the Chihli party, Wu Pei-fu and Chang Hsun would seem to have the sympathy and support of the President. Wu Pei-fu may entice the Southerners to throw in their lot also, at least for the time being, to bring about the down-fall of the Anfuites and Tuan and their pro-Japanese clique!!!

Civil Governor: H. E. Wang Yin-chuan has been nominated the Governor of Honan following the Presidential Mandate of the 27th February. Wang wanted to bring 10 ying of soldiers with him. However, this will nor be tolerated by Chao Ti. I hear that Chao is willing to allow Wang to come as Civil Governor provided he does not want any under-play leading to the under-mining of his authority as Military Governor. No changes will be made by Wang in the Civil Governor's yamen for three months at least.

Opposition to the new Civil Governor the Honan people is evident. I have reasons to believe that it has been "got up" by certain interested parties! However, the opposition of the Honanese to the appointment of an Anfu Club Tuchun seems to me genuine. Chao Ti has not done so badly and people are not prepared to "swallow" the injustice!! Wang seemed to be expected at Chengchow on the third. It is said that he will not proceed to Kaifeng unless everything is settled between himself and Chao Ti. He is afraid.

Banks: The Bank of Communication and the Bank of China have sent away bulk of their ready cash down river. The Yuchuan Bank notes are not accepted readily by merchants!

The President/

SUBJECT POLITICAL CONDITIONS IN HONAN.

From H. A. POLITICAL

No. 2423 Date March 9th, 1920. 19

Replying to No. Date 19

The President is said to have sent his delegate named Tsai Pei together with two other "Tai-piao" to Chao Ti in order to assure him of his sympathy and support.

The situation has improved materially.

I will keep you posted if any startling developments take place.

5

SUBJECT POLITICAL CONDITIONS IN HONAN.

From H. A. POLITICAL

No. 2423 Date March 9th, 1920., 19

Replying to No. Date, 19

17 --- POLITICAL

On march 5th Tsao K'un reported to have 14,000 men at Lin Ming Kuan, a station on Kin Han Railway between Shunteh and Changteh near the Honan Chihli border. These troops are said to be favorable to Chao Ti and are a precaution against advance on Honan by the Central Government troops.

Rumor has it that the plan now is to send Wu Kwang Hsin to Hupeh and the Hupeh Governor to Honan. This is hardly clear, however, as Hupeh Governor Wang supposed to be Anfu.

All of the outlying Hsien officials have been ordered to send in their soldiers. All of whom are concentrating around Kaifeng to prevent possible attack from west, north and east. The Post Office carriers are disturbed in many places and word has been received of petty looting in small villages thru' which the soldiers are marching on their way to Kaifeng. The local postmasters have, in many cases, applied to their local magistrates for protection. He has replied that he can do nothing as his soldiers have all been sent to Kaifeng or other cities on the railway. In some places bandits are beginning to operate since the withdrawal of the troops.

Troops are being gathered at Yehhsien and Chu Matien to prevent any advance by the official at Nanyang(who is against Chao Ti) and Wu's troops at Sinyangchow. New 'I Chun troops are arriving in Kaifeng every day from outlying stations, just yesterday 5,000 men reached Kaifeng, the day before 1,000 men took all the bedding they could get from the homes of Chinese in the south suburb.

Report are coming in that soldiers are living on the people of the villages within a radius of 50 miles round about Kaifeng.

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OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
1920 2657-B 91 APR 28

1.

WAR DEPARTMENT

SUBJECT REPORT FOR MONTH OF JANUARY.

From H. A. POLITICAL.

No. 2375. Date January 31, 1920.

Replying to No. Date , 1

REC'D, M. I. S., O. C. S. APR 6 1920

REVOLUTIONARY - 888.

RUMORED REVOLT OF 15th DIVISION

As has been pointed out in many reports and is undoubtedly well known in the Military Intelligence Division, the military forces in China are largely controlled by individuals rather than by the Central Government. The Fifteenth Division stationed at Nanyuan, about eight miles south of Peking was one of the divisions commonly known as Ex-President Feng Kuo-chang's Division. With the death of Ex-President Feng Kuo-chang, this Division found itsself in arrears in pay and with no leader to whom they might look for pay, food, supplies etc. On the evening of January 4th there was a persistent rumor in Peking that this Division was going to mutiny on that night. In the Legation Quarters amoung the Legation Guards, patrols were sent out and precautionary means taken. Nothing happened however, at least within the city limits. The best information obtainable indicates that there were slight signs of lawlessness within the Division, however, prompt and stern measures were taken to suppress these actions, consequently nothing serious occurred. The Division has now been taken over by some other ambitious politician and the incident is practically forgotten.

The death of the Ex-President has furnished foreign news paper writers in China with stories for many days, chiefly in speculating for the realignment of political parties. Ex-President Fengs' death leaves the Chihli faction without a leader. The question as to whether a new leader would appear for this faction or whether a new Shantung and Chihli party would be organized including the present Premier and many other natives of Shantung as well as Tsao Kun and Li Hsun and the other members of the old Chihli faction.

With all the talk of new political parties and readjustments of old parties in opposition to the Anfu Club, the Anfu Club appears stronger from day to day. "Little Hsu" has proved himself a man of action among the Chinese and many of the individuals who have heretofore been either neutral or openly hostile to him are now openly speaking in favor of him. The Premier, Chin Yun-peng has shown his weakness in failing to support the scheme for the new port near Tientsin in which his supporters as well as British and American interests were interested. He also has failed to keep an Anfu man out of the Ministry of Finance and out of the office of the Defense Commissioner of Shanghai. Just how long he will be able to hold his present position is problematical. A new cabinet controlled by "Little Hsu" seems to be not far away.

Binding Margin.

SUBJECT REPORT FOR MONTH OF JANUARY.

From H. A. POLITICAL.

No. 2375. Date January 31, 1920., 19

Replying to No. Date, 19

PERSONAGES - 46.

DEPARTURE OF ADMIRAL GLEAVES, U. S. N.

On January 3rd, Admiral Gleaves and Staff left Peking after a visit which was prolonged by special request of President Hsu. Comment on this visit was made in the monthly report for December 1919. Visits to Peking by Military and Naval officers of the type of Admiral Gleaves can do much to foster a friendly feeling between China and America. It is hoped that a similar visit will be made in the near future by the Commanding General of the Philippine Department.

PERSONAGES - 46.

MOVEMENTS OF MILITARY ATTACHE

A cable received from the Military Attache stated that he was to leave Bangkok on January 26th direct for Hongkong where he would arrive on February 6th. Nothing further has been heard from him. On about January 27th this office received a cable that an American in Yunnanfu, Yunnan Province, requesting that a representative of the American Government be sent there to negotiate for the release of Dr. Shelton, an American Medical Missionary who had been captured by bandits and was being held by them in order to force a compromise with the Governor of Yunnan. The Assistant to the Military Attache took the matter up with the Charge d'Affaires, American Legation, who sent a cable to the Consul at Saigon, requesting him to get in touch with the Military Attache and transmit to him the instructions to proceed to Yunnanfu for the above mentioned party. It is not known at this date whether these instructions have been received by the Military Attache.

SUBJECT REPORT FOR MONTH OF JANUARY.

From H. A. POLITICAL.

No. 2375. Date January 31, 1920., 19

Replying to No. Date, 19

PERSONAGES - 46.

On January 22nd at the request of General Ch'u Tung-feng, Commander of the First Division Frontier Defence Troops, the Ordnance Officers of the Division were permitted to go to visit the 15th Infantry at Tientsin where they were shown our ordnance equipment and where demonstrations of some of our material was given for them. On the same day at the request of the Chinese War Department, the Commanding Officer of the Machine Gun Company, 15th Infantry, lectured in Peking to about sixty prominent War Department Officials on the Machine Gun. Following the lecture a demonstration of the use of the Browning Machine Gun was held which was attended by nearly twice as many Chinese Officials as attended the lecture. The Chinese have requested that our course of lectures be continued in connection with those to be given by representatives of various foreign armies, informing us that about 50% of the proposed lectures could be given by Americans.

SUBJECT REPORT FOR MONTH OF JANUARY.

From H. A. POLITICAL.

No. 2575. Date January 31, 1920., 19

Replying to No. Date, 19

DOMESTIC POLICIES - 60.

MONGOLIAN AFFAIRS

Reports and cables have already been forwarded stating that the Chinese reinforcements have been sent from Urga to Maimchin on the border between Siberia and Mongolia, also that these Chines Troops amounting to about 1500 have occupied the entire town of Kiakta which is on the border. The Mongolian section of the town being called Maimchin - the Siberian section being called Kiakta. Also that a Truce has been negotiated between the Bolsheviks who were advancing between Kiakta and the Chinese troops whereby a neutral zone is established around the town, the Bolsheviks agreeing not to cross said neutral zone. We have also reported that there is a small Japanese force in Kiakta; information as to the size varying between 35 and 175. Although the telegraph lines from Peking across Mongolia to Irkutsk have been kept out of communication since about December 30th, the Japanese continue to receive information along that line. It is probable that the Japanese have field wireless sets at Kiakta and at points along the railroad in Siberia by means of which they are able to cross the area where wire communication is interrupted.

DOMESTIC POLICIES - 60.

PEACE BETWEEN NORTH AND SOUTH

While reports appear frequently of the probability of peace being arranged by the Shantung Conference between the North and South, it is a general belief among those who have intimate knowledge of Chinese affairs that the Shantung Conference is now dead so far as its ability to arrange a peace is concerned. There has been also talk of peace being arranged through the various Provincial Governors. At one time there seemed good prospect of this but it is believed that this scheme has fallen through due to the fact that the Premier and some of the Governors at the crucial moment were not willing to take the necessary decisive action.

SUBJECT REPORT FOR MONTH OF JANUARY.

From H. A. POLITICAL.

No. 2375. Date January 31, 1920., 19

Replying to No. Date, 19

FOREIGN - 59.

NEGOTIATIONS REGARDING SHANTUNG

On top of the announcement of the U. S. Government that our troops would be withdrawn from Siberia came the announcement that the Japanese Minister, Peking, had conveyed to the Chinese Foreign Office, a note requesting that negotions be started between the Chinese and Japanese Governments regarding the return of Shantung to China. Your attention was called by cable from this office to the confidential cable of the Charge d'Affaires, American Legation, Peking, to the State Department concerning this note. The feeling amongst the Chinese is divided as to whether or not it is advisable to enter into direct negotations with the Japanese for the return of Shantung. The student organizations and the opponents of the present Government in general are apparently unanimous for direct negotiations, on the other hand the present government is undoubtedly having great pressure brought to bear to force it to consent to direct negotiation. With the United States still out of the League of Nations, some of the Chinese feel that nothing could be gained by getting the Shantung question put before the League for settlement, as the same conditions and influences would be at work in the League as were at work in drawing up the Treaty of Peace. These Chinese feel that the refusal on the part of China to enter into direct negotiations would incur the displeasure of the Japanese who would in consequence force them to a harder bargain. This note regarding Shantung, coming as it does at the time of the withdrawal of the American Troops from Siberia, permits the Japanese to play a double game while the attention is centered on Shantung the Japanese can work with fee hand in Manchuia or vice versa. One settlement can be used against the other in forcing the Chinese into an agreement favorable to Japan.

SUBJECT REPORT FOR MONTH OF JANUARY.

From H. A. COMBAT.

No. 2375. Date January 31, 1920., 19

Replying to No. Date, 19

TERRITORIAL - 49.

WITHDRAWAL OF U. S. TROOPS FROM SIBERIA

With the announcement of the United States Troops together with the Railway Service Corps were to be withdrawn entirely from Siberia, the Chinese became very much exercised over the conditions in the north where the Japanese have the only foreign forces in Siberia. The Chinese more than ever are concerned for the future of Manchuria for fear that under the terms of the Military Agreement between Japan and China which is still in force, that the Japanese will find cause to occupy jointly with the Chinese, the line of the Chinese Eastern Railway. It is certain that our withdrawal leaves Japan with a freerer opportunity for territorial gain in Manchuria and Siberia.

Number of copies 3

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OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.

JUN 9 1920

26537-D-117

WAR DEPARTMENT

SUBJECT THE STRAITS SETTLEMENTS.

From H. A. POLITICAL

No. 2495. Date April 7th, 1920 JUN 1920 JUL 2 1921, 19

Replying to No. Date, 19

- - - - - 20-NATIONAL- - - - -

The following are extracts from the report of the Consul General at Singapore to the State Department. Forwarded for the information of the Military Intelligence Division.

****

P R E F A C E .

"The jurisdiction of the Singapore American Consulate General, ina supervisory sense, comprises the Straits Settlements Crown Colony and the Federated and Non-Federated Malay States - all commonly termed British Malaya - and that part of North Borneo which is under British protection. The Straits Settlements are a British (Crown Colony) possession; while the Federated and Non-Federated Malay States are "British protected" States, as is also that part of North Borneo, commonly known as "British North Borneo."

THE STRAITS SETTLEMENTS.

The Straits Settlements Colony consists of the Island of Singapore, the town and province of Malacca, the Island of Penang, Province Wellesley, the Territory and Islands of the Dindings, the Cocos (or Keeling) Islands, Christmas Island, and the Island of Labuan, having a total area of approximately 1,560 square miles and an estimated population of about 750,000. The seat of Government of the Straits Settlements is Singapore, on the island of the same name.

The Government.

The Government consists of a Governor, aided by an Executive Council and a Legislative Council. The Executive Council consists of eight of the principal officers of the Government, and is presided over by the Governor. The Legislative Council consists of nine official (members of the Government) and eight unofficial members, of whom two are named by the Chambers of Commerce of Singapore and Penang.

Administration of Justice.

The courts for the administration of civil and criminal law are: - The Supreme Court, District Courts, Coroners' courts, Magistrates' Courts and Justices of the Peace. The Supreme Court consists of a Chief Justice and three Puisne Judges. It sits in civil jurisdiction throughout the year; it holds assizes every two months in Singapore

and/

SUBJECT THE STRAITS SETTLEMENTS.

From H. A. POLITICAL

No. 2495. Date April 7th. 1920., 19

Replying to No. Date, 19

and Penang and every quarter in Malacca; it sits in appellate jurisdiction as often as may be required, and as a Vice-Admiralty Court. It has jurisdiction over all minor courts.

The district Courts have jurisdiction in civil matters up to $284.00; and in criminal matters they replace the Bench Courts.

Magistrates' Courts hear and determine cases within their jurisdiction in a summary way.

Justices of the Peace and Coroners are appointed by H. E. the Governor.

Laws.

The Straits Settlements are governed under local ordinances passed by the Legislative Council, and not disallowed by His Majesty; also such further Acts of the Imperial Parliament, and of the Legislative Council of India, as far as they may be consistent. A Commission has decided which of the Indian Acts are in force in the Colony, such Acts being bound in one volume and published by the Government Printing Office. The Indian Penal Code, with slight alterations has been adopted. The Criminal Procedure Code, 1900, which had been in use with a number of amending ordinances, was re-enacted as "The Criminal Procedure Code 1910," and came into operation on the 1st June, 1920. There is a Civil Procedure Code, based on the English Judicature Acts.

The first Governor of the Straits Settlements after the transfer of the Government from the control of the Indian Government to that of the Secretary of State for the Colonies, on April 1, 1867, was Colonal Harry St. George Ord, who held office from that date until November 2, 1873. The present Governor, Sir Arthur H. Young, former Chief Secretary of the Federated Malay States Government and Colonial Secretary of the Straits Settlements, assumed office on September 2, 1911, and, owing to the war, has been retained as the Chief Executive, although, according to precedent, he would have given way to a successor several years ago. It is expected that he will relinquish office soon after the peace treaty is signed.

A Vast Clearing House.

While the Straits Settlements produce fairly large quantities of rubber, cocoanuts, pineapples and other agricultural crops, the Colony is essentially devoted to trade and shipping, the ports of Singapore, Penang and Malacca, particularly the first named, being vast clearing houses for the rich surrounding countries, including the

Malay.

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Malay States, the Netherlands Indies, Siam, Borneo and other islands in close proximity thereto.

The imports and exports of the Straits Settlements each year reach very large figures, giving to the Colony an importance possessed by few countries of its size.

The Port Of Singapore.

Singapore, the chief port of the Straits Settlements and of Southern Asia, has one of the finest harbors in the world, while its port facilities, as the result of recent construction and extensive improvements, are unexcelled. It is now rated in point of importance as the sixth shipping port of the world. Singapore is not only the market and chief shipping center for the vast quantities of products exported from and imported into the Malay States, but also for many of the surrounding countries and islands, included in which are the Dutch Indies, Siam, Borneo and French Indo-China.

Financial Condition of the Colony.

The revenue of the Straits Settlements Colony amounted in 1917 to $11,169,820, exceeding the record of 1916 by $1,332,290, and the expenditures for the year were $6,455,540. This revenue was exclusive of the sum derived from the tax on incomes.

Excluding sudsidiary coins, the currency of the colony in circulation at the end of the year consisted of $49,437,774, in currency notes and $3,767,019 in dollars and half doallrs, while there were still in circulation notes issued by two leading banks to the value of $96,487, The large increase by $10,603,582, owing almost entirely to the issue of notes in exchange for gold in London. The coin reserve held by the commissioners at the close of the year against the note circulation amounted to $30,-101,218.

Import and Export Trade.

The gross import and export trade of the Straits Settlements Colony for the year 1917 amounted in value to $721,166,000, an increase of $133,887,000 over 1916. The value of the imports, including coin, amounted to $367,143,000; exports, $354,023,000, both showing large increases over the previous year. The published imports from the United States in 1917 amounted in value to $9,446,071, but it is known that these figures were greatly exceeded, many transhipments of merchandise not being included in this amount. The exports to the United States from the Straits Settlements for 1917 amounted in value to $117,569,000 of which rubber and tin were the principal articles.

Rubber and Tin Industries.

Singapore has the distinction of being the world's

foremost/

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foremost market for two very important commodities which are largely required in manufactures, these being crude rubber and tin. The United States has for some time been the largest importer of these two products, the exports of which from this colony annually attain very large figures.

The following particulars concerning these important articles of export were contained in an Annual Report on Commerce and Industries for 1917, furnished by this Consulate General and recently published in Commerce Reports.

"The remarkable growth of the crude-rubber industry in the Malay States and in the Netherlands East Indies during the past few years has given a wonderful impetus to the trade not only of those countries but also of the Straits Settlements Colony. This applies particularly to Singapore, which, owing to its favorable position as a receiving and shipping center, has become the chief depot of supply and the principal market for this product. The wonderful expansion of the trade in Para Rubber in a single year is seen in the comparative exports of this product for 1916 and 1917. In 1916 shipments amounted to 59,316 tons, valued at $74,308,447, whereas in 1917 they totaled 96,592 tons, valued at $118,447,759. Not included in these 1917 figures were exports of gutta-percha and inferior grades of rubber products aggregating nearly $2,000,000, making a grand total in value of rubber products exported from the Straits Settlements of considerably more than $120,000,000.

Next to rubber, tin, in point of value, is the most important single article of export from the Straits Settlements, this colony continuing to be the world's foremost market for, and the largest producer of, refined tin. The great bulk of the ore smelted in Singapore and Penang comes from the mines of the Malay Peninsula, but considerable quantities are also imported for smelting from neighboring islands, Siam, Australia, South Africa, and other countries. The quantity of tin ore imported during 1917 for smelting purposes, amounting to 24,113 tons was somewhat less than during the previous year, when the imports were 24,291 tons. The value of the 1917 imports, however, was greatly in excess of that for 1916, amounting to $16,229,258, as against $13,674,957 in 1916. The imports of refined tin for reshipment were also slightly below those of the previous year, standing at 482 tons, as compared with 519 tons in 1916, but the value was greater.

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The quantity of tin exported in 1917 was 64,027 tons, valued at $66,896,362, as against 65,231 tons, valued at $55,444,216, in 1916. The bulk of the exports for this period went to the United States."

Customs, Duties, Etc.

Except duties imposed on importations of liquors, opium, cigars, cigarettes, tobaccos and petroleum, no import duties are at present levied in the Straits Settlements.

FEDERATED MALAY STATES.

The Federated Malay States consist of the following: Perak, Selangor, Pahang, and Negri Sembilan, these States having been confederated in 1895 for administrative purposes and a British Resident General appointed, with an official residence in Kuala Lumpur, the seat of Government of these Federated States. The Resident General is the agent and representative of the British Government, under the Governor of the Straits Settlements, otherwise known as High Commissioner, There is, in addition, a British Resident in each of the four States, comprising this Federation. The agreement between the Governor of the Straits Settlements, acting on behalf of the Government of Her Majesty the Queen and the Rulers of the Malay States, provides, in part, as follows:

1. In confirmation of various previous Agreements, the Sultan of Perak, the Sultan of Selangor, the Sultan of Pahang, and the chiefs of the States which form the territory known as the Negri Sembilan, hereby severally place themselves and their States under the protection of the British Government.

2. The above-named Rulers and chiefs of the respective States hereby agree to constitute their countries a Federation to be known as the Protected Malay States to be administered under the advice of the British Government.

3. It is to be understood that the arrangement hereby agreed upon does not imply that any one Ruler or Chief shall exercise any power or authority in respect of any State other than that which he now possesses in the State of which he is the recognised Ruler or Chief.

4. The above-named Rulers agree to accept a British Officer, to be styled the Resident-General, as the agent and representative of the British Government under the Governor of the Straits Settlements. They

undertake.

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undertake to provide him with suitable accommodation, with such salary as is determined by Her Majesty's Government, and to follow his advice in all matters of administration other than those touching the Mohammedan religion. The appointment of the Resident-General will not affect the obligations of the Malay Rulers towards the British Residents now existing or to be hereafter apppointed to offices in the above-mentioned Protected States.

Federal Council.

Under the terms of the Federation Agreement there has been constituted a Federal Council to provide meas "for the joint arrangement of all matters of common interest to the Federation of affecting more than one State and for the proper enactment of all laws intended to have force throughout the Federation or in more than one State." This is known as the "Federal Council of the Federated Malay State," which came into effect on October 20, 1909, having been signed by His Excellency Sir John Anderson, High Commissioner for the Federated Malay States, and before that date by the Rulers and Chiefs of the States above referred to.

The Federal Council consists of the following members:

The High Commissioner
The Resident General
The Sultan of Perak
The Sultan of Selangor
The Sultan of Pahang
The Resident of Perak
The Resident of Pahang
The Resident of Negri Sembilan
The Resident of Selangor

Four unofficial members to be nominated by the High Commissioner, with the approval of His Majesty.

In addition to the above the High Commissioner has power to add to the Council one or more heads of the various public departments, subject to the approval of His Majesty.

The High Commissioner is constituted President of the Council, and in his absence the Resident General is the presiding officer.

It is stipulated that "nothing in this agreement is intended to curtail any of the powers of authority now held by any of the above-named Rulers in thier respective States nor does it alter the relations now existing

between/

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between any of the States named and the British Empire as established by previous treaties."

Railways, Telegraphs, Banks, Etc.

The Malay Peninsula has fine roads and railways, the latter being owned and operated by the Government. On the western side of the Peninsula a railway line extends from Penang (connected by ferry with Prai, the northern terminus on the mainland) to Singapore by way of Ipoh and Kuala Lumpur, and to Malacca, Port Weld, Teluk Anson, Port Swettenham, Port Dickson, Johore Bahru and other important towns. On the eastern side of the Peninsula a railway line runs from Gemas to Kuala Lipis, while a line connecting with the Siamese railway system has been constructed in the State of Kelantan, it now being possible to travel by rail from Singapore, the southern terminus of the Federated Malay States railway, and from other points to Bangkok, the Capital of Siam. From Province Wellesley a line extends to Alor Star, the capital of Kedah, where it connects with the Siamese railway.

These railway lines are well constructed and operated, with dining, restaurant and sleeping cars, electrically lighted, and are a distinct credit to the country.

The public highways of the Federated Malay State are models of construction, there being over two thousand miles of fine roadways, affording unsurpassed facilities for motoring, as a result of which, with the industrial development that has taken place, automobiles are found in very great numbers. Post and telegraph offices, as well as telephone stations, are established in all towns and villages of any importance, and there is no lack of banking facilities all over these states.

Federated Malay States Finances.

The total revenue collected during 1917 amounted to $37,221,099, exceeding the estimated revenue by $11,720,-618 and the revenue for 1916 by $8,194,109. This total includes the extra revenue derived from increased taxation imposed for the war contribution amounting to $4,943,290.

Expenditures amounted to $28,210,951 in 1917, an increase of $5,060,570 as compared with that of the previous year, and $3,199,321 below the estimate. The more important items were: Works and buildings, $1,035,036; roads, streets, and bridges, $1,574,182; and railways, $5,438,452.

The balance to the credit of the Federated Malay States increased from $34,426,571 on January 31, 1916,

to/

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to $48,436,718 on December 31, 1917, an increase of $14,010,147. The assets on December 31, 1917, amounted to $58,392,459 and included the following loans: Siamese Government $15,233,262; Johore Railway, $567,800; Malay States (Kedah), $3,453,623; and planters, $828,289.

The revenue derived from customs, exclusive of war taxes, was about $9,652,600, an increase of more than $1,438,237. Rubber produced $2,790,611; tin $5,298,306; spirituous liquors, $746,991; and tobacco, cigars, and cigarettes $714,805.

Imports, exclusive of coin and bullion, were valued at $41,598,007, an increase of 5 per cent, compared with $39,530,867 in 1916.

Import and Export Trade.

In 1917 there was an increase in the value of exports, exclusive of coin and bullion, of $29,570,606, or 24 per cent., the total value being $154,454,631. Plantation rubber accounted for an increase of $23,514,193, and tin ore for $4,686,999. The amount of bullion for the last four years were valued as follows: 1914, $69,-818,351; 1915, $91,891,683; 1916, $124,884,025; and 1917, $154,454,631.

The total value of raw materials exported amounted to $151,594,930, as compared with $122,649,334 in 1916 or an increase of about 24 per cent., to which rubber was the main contributor. Rubber exports increased from 62,764 tons in 1916 to 79,831 tons in 1917, being valued at $83,803,546 and $107,317,739, respectively.

Copra of which Perak is the largest exporter, showed marked increases in all the States. The exports in 1917 amounted to 353,722 piculs (47,162,933 pounds), as against 249,038 piculs (33,205,067 pounds) in 1916. The production of cocoanuts proved unremunerative during the past year and resulted in the tendency to replace cocoanut palms with rubber trees.

The value of tin and tine ore exported (exclusive of reexported amounted to $41,317,721, as compared with $36,630,721 in 1916, an increase of 13 per cent. There was a decrease in the output except in Pahang.

The aggregate value of trade in 1917 was $196,948,-061. Excluding bullion and specie, the total was $196,-052,638.

Customs Duties, Etc.

In the Federated States duties are levied, as in the Straits Settlements, on liquors, tobaccos and petroleum, while for war purposes duties are at present also imposed on motor spirits, matches, motor vehicles and the

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while for war purposes duties are at present also imposed on motor spirits, matches, motor vehicles and bicycles.

NON-FEDERATED STATES.

The Non-Federated Malay States consist of the States of Johore, Kedah, Perlis, Kelantan and Trengganu, all situated in the Malay Peninsula. These States, while under British protection, with British Agents acting as advisers to the Sultan of the various states, are governed somewhat differently from the Federated Malay States, each having its own form of government.

Kedah.

Of these States, Kedah came under direct British protection on March 10, 1909, the suzerainty of the State having been transferred from Siam to Great Britain in terms of the Anglo-Siamese treaty on that date. This State is said to be more purely a Malay than any of those comprising the Federated Malay States. The Mohammedan, and not the Christian, calendar is used. Friday is, as well as Sunday, a day upon which the public offices are closed. The language of the legislature, the courts and public offices is Malay. The principal agricultural products are rice, rubber, cocoanuts and tapioca. Tin and wolfram are produced in fairly large quantities. The F.M.S. Railway system connects Kedah with Bangkok to the north, and the rise of the peninsula on the South. Good roads are being developed. The State revenue for 1917 amounted to $2,602,858, while the expenditures totaled $1,839,740. Alor Star is the capital, where the Sultan resides. The census of 1911 gave the total population as 245,986, mainly Malays and Chinese.

Johore.

The State of Johore is situated at the extreme south of the Malay Peninsula and has an area of about 7,500 square miles, being bounded on the south by a narrow strait separating it from the island of Singapore; on the north by Malacca, Negri Sembilan and Pahang; on the east by the China sea, and on the west by the Straits of Malacca. The whole area is well watered by numerous rivers. The State is ruled by His Highness the Sultan on the advice of the British General Adviser and with the assistance of a Council consisting of Malay ministers and certain heads of departments. The country is rich in agricultural

resources/

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resources, the chief products being rubber, cocoanuts and arecanuts, copra, pepper and gambier, tapioca. There are large areas of valuable hardwood and other timbers. Tin and wolfram are also produced, the former in large quantities. The population as given by the census of 1911 was 171,283, chiefly composed of Malays, Chinese and Javanese. The revenue for 1917 amounted to $5,773,744. The trade returns for the year 1917 were: Imports $9,879,998; exports, $28,015.422. The State contains over 200,000 areas of cultivated rubber. The F.M.S. Railway penetrate the State; there is also a light railway from Bandar Maharani to Parit Pecha, a distance of 14 miles. The capital of the State is Johore Bahur, the residence of His Highness the Sultan.

Perlis.

Perlis is a small state on the west coast of the Peninsula, with a population (1911) of 32,746, and an area of 316 square miles. The government is under the control of a State Council consisting of the Raja, the British Adviser, and three Malays. The actual revenue for 1917 was $150,453 and the expenditure $110,026. The chief exports are padi, tin ore, fish, poultry and cattle. Guano is also found in large quantities. The chief town is Kangor. The suzerainty of Perlis was transferred from Siam to Great Britain by the terms of the treaty signed at Bangkok on March 10, 1909, when a British adviser was appointed. A railway traversing the State for a distance of 21 miles was constructed by the F.M.S. Railway Administration to connect the F.M.S, Railway system with that of Siam, this link being completed in July.

Kelantan.

The State of Kelantan, situated on the eastern side of the Malay Peninsula, has an estimated area of about 5,870 square miles and a coast line on the China Sea of about 45 miles. This State came under British protection by the Anglo-Siamese Treaty of 1909, all rights of suzerainty, protection, administration and control possessed by Siam being then transferred to the British Government. The British Government has the right to appoint an officer to be adviser to the Raja, the latter undertaking to follow the advice of the Raja in all matters of administration other than those affecting the Mohammedan religion and Malay custom. The chief industries are agricultural. Padi is grown in large quantities, but

mostly.

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mostly consumed in the State. Other products extensively raised are cocoanuts, and copra is exported in large quantities. Of recent years Para rubber has been extensively grown, there being at least twenty large estates managed by Europeans, in addition to many small properties owned and operated by Malays. The women are said to be expert weavers, and silk sarongs in considerable numbers are annually exported to neighboring States. Tin and gold mining is carried on to a limited extent. The Malay population in Kelantan is larger than in any other State. Of a total population in 1911 (the last census) of 286,707, Chinese 9,844, Siamese 5,355, and Europeans 108. Kota Bahru is the capital, with a population of about 13,000. The Sultan and British Adviser reside here. A regular steamship service is maintained with Singapore. A railway from the port of Kelantan (Tumpat) to link up with the Federated Malay States Railway system on the Pahang boundary, this having already been completed to Tanah Merah.

Trengganu.

The State of Trengganu is on the eastern seaboard of the Malay Peninsula, and the area of the State is approximately 6,000 square miles. The total population as recorded by the census of 1911, is 154,073, of which 149,379 are Malays, and 4,169 Chinese. By an agreement signed in Singapore on April 22, 1910, the appointment of a British officer to reside in Trengganu to be an Agent, with functions similar to those of a consular officer, is provided for. Protection of the State invasion by foriegn attacks is guaranteed by the British Governement, and the Trengganu Government surrendered management of all political matters with foreign governments to His Britanic Majesty's Government. There are no roads, railways, or telegraphs, communication with the interior being by means of rivers and native paths. The chief town is Kuala Trengganu. The total value of imports largely consisting of rice, cotton-piece goods, sugar and tobaccos, into Trengganu from Singapore in 1917 was $674,499, while the exports to Singapore were $1,309,803 the principal articles of export being dry and salted fish, tin ore, paid, black pepper, copra and wolfram. Suzerainty was formerly exercised over this State by Siam, but was transferred to Great Britain by treaty in 1909."

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WAR DEPARTMENT

SUBJECT PROPOSED CONSORTIUM LOAN TO CHINA.

From H. A. POLITICAL

No. 2503 Date April 12th, 1920, 19

Replying to No. Date ~~Rec'd W.I.B. O.C.S.~~ JUN 1 1920 19

17 --- POLITICAL.

The following articles from the Peking and Tientsin Times regarding Mr. T. W. Lamont and the proposed consortium loan to cling should be of interest. The articles are correct.

THE NEW CONSORTIUM AND CHINA.

WHAT IT SEEKS TO DO-HOPES OF GRANK JAPANESE COOPERATION.

By Thomas W. Lamont.

Shanghai, April 7.

Before Mr. Lamont left Shanghai, we asked him to write us a statement of the aims of the New Consortium and its prospects with a special view to satisfying certain anxieties of the Chinese people of which symptoms have already been shown through these colums. The following is the result and we specially commend it to the notice of our Chinese readers for the unmistakable evidence it affords of the beneficial effects which the New Consortium if realized on the lines described by Mr. Lamont, must have for China.

I am glad to comply with your request and to confirm what I have already publicly stated, in the course of my interesting visit at Shanghai in regard to the history and aims of the New Consortium.

In October, 1918, the United States Government proposed to the Governments of Great Britain, France and Japan that they should encourage and support banking groups in each of the countries mentioned in the formation of a New Consortium for the purpose of assisting China in the development of her great public enterprises. The United States Government proposed that the New Consortium should have a wider scope than the old Consortium had possessed; that it should be in the nature of a free and full partnership among the banking groups named; that options or concessions already held by individual banking groups on which substantial progress had not been made, should, so far as feasible, be pooled with the Consortium; that working on these two principles, as just stated, the operations of the Consortium would serve to prevent for the future the setting up of special spheres of influence. The United States Government's proposals laid great stress on this latter point, as being highly effective in doing away with international jealousies that has formerly been engendered and in helping to preserve the integrity and independence of China.

BASIC ENTERPRISES ONLY.

These proposals also made clear that it was not to be the aim of the Consortium to concern itself with general enterprises in banking/

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in banking, industry, or commerce, but rather to include within its scope only those basic enterprises, such, for instance, as the development of transportation systems, highways, reorganization of the currency, etc., as would serve to establish sounder economic conditions throughout China and thus form a firmer foundation for the encouragement of private initiative and trade. Specifically, it was planned that the Consortium's operations should deal primarily with loans to the Chinese Republic, or to the Provinces of the Republic, or loans guaranteed by the Republic or by its Provinces and, in each instance, of character sufficiently important to warrant a public issue; thus effectively avoiding the curtailment of private initative and enterprise in China.

THE MEETING IN PARIS.

The proposals, as formulated by the United States Government, were duly approved by the other three Governments to which they were addressed, and at the instance of these Governments the respective banking groups that had been formed in each of the four countries directed their representatives to meet for organization purposes in Paris in May, 1919. These representatives duly convened and, it may be added, in each instance represented a much larger banking group than was the case in the old Consortium. For instance, the American banking group had been expanded from five to 31 member banks, the Japanese had been increased to 18 members and both the British and French Groups also had been invreased. At the organization conferences in Paris harmony of spirit and purpose was attained among all the four groups and the Consortium was duly organized; its agreement, however, as unanimously adopted, to be subject to the approval of the respective Governments.

THE JAPANESE RESERVATIONS.

In the case of Great Britain, France and the United States, this agreement was approved without change, but the Japanese Government qualified its approval by reserving certain portions of Manchuria and Mongolia from the scope of the Consortium.

This difficulty still existing, I was requested by the American banking group, with the approval of the British and French banking groups and also with the approval of the State Department at Washington, to visit Japan and after that, China, for the purpose of making an adequate report on the whole situation to the banking groups involved.

JAPANESE BANKS AND GOVERNMENT.

In Japan I ascertained that certain misapprehensions existed as to the objects of the Consortium; but after conferences with the representatives of the Japanese banking group I found them unanimous in their desire to enter the Consortium without reservation and on the same terms as those pertaining to the other banking groups; and I received from these Japanese bankers assurances that they expected in the near future to

obtain/

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obtain from their Government formal approval to their entry into the Consortium. Until this formal approval in received and notified to me, the Japanese group cannot be considered as members of the Consortium. If by any chance, the assurances given to me by the Japanese bankers should prove to have been unfounded and the Japanese Government continue to withhold its assent, then I apprehend that Japan would be the chief loser by reason of its failure to be-come a member of the Consortium.

CHINESE ACQUIESCENCE ESSENTIAL.

Since my arrival in China I have had interesting and important discussions with bankers and men of affairs in regard to the aims of the Consortium and in aims of the Consortium and in regard to China's attitude towards it. In every instance I have explained that it was quite impossible for me to give in detail all the plans of the Consortium, because such plans remain yet to be formed. My mission to China is largely for the purpose of securing information adequate enough to enable the Groups to base their future policies upon. While being unable to enter into detail as to the future, I can yet lay down certain principles which the American Group will advocate and which I am assured the Consortium, if finally and effectively organized, will follow.

First, then, the Consortium will be ready to undertake operations only in the event that the people of China desire it to do so. The Consortium hopes to be able to proffer its material assistance to China in her economic development. It remains for China to decide whether she will accept or reject this proffer.

Second, in case China desires the assistance of the Consortium, then it will be for China to render that desire effective by cordial cooperation with, trust in and approval of the aims and work of the Consortium. By this, I do not necessarily mean complete approval of every detail, but general approval and cooperation; for unless the Consortium has these its every endeavour is bound to fail.

RESPONSIBILITY TO CHINESE PEOPLE.

Third, in laying its plans the Consortium is under a heavy double responsibility, first, the responsibility to the Chinese people: we have to see to it that any loans made to China are for constructive, not for wasteful purposes, and are used for the up-building and development of the country. In order that both China and the Consortium shall be assured that such worthy objects are being attained, the organization of some proper system of audit must be mutually worked out, so that we may be certain as to the proper application of loan funds.

Such an audit plan does not interfere with China's right to govern her own affairs. The Consortium must not, and it will not take a hand in China's political affairs; but it is manifestly to the interest of all concerned that there be established a proper supervision of loan expenditure, such supervision to be exercised as far as possible through native assistance.

The Consortium's second responsibility is to its own investors at home/

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at home. In case its operations should develop upon a considerable scale, the funds wherewith to provide loans to China must come from the great body of private investors in the four countries already named, and to them the Consortium will have the moral responsibility of seeing to it that their investments in China are designed and expended for constructive purposes. On this point the Consortium must, in due course, render an account on its stewardship.

CONFIDENCE IN CHINA.

Finally, I may say that the American Banking Group, which I represent and I am assured the other banking groups equally with us have a strong faith in the resources, the industry and the integrity of the Chinese people. They believed that today there exists in China a large amount of wealth, liquid as well as latent, which needs only to be mobilized in order for China to furnish herself with fairly ample means for development. The American Group hopes that the operations of the Consortium will be so carried out as to command, not only that essential confidence and cooperation from the Chinese people, but also, as time goes on material support from their latent wealth which is so abundant. We venture to hope that these four banking groups, working together in cooperation with the Chinese men of affairs, will be a factor in establishing a more cordial and intimate relationship among the peoples of all these five great nations and thus contribute materially to the permanent prosperity and peace of the Far East.

T. W. Lamont.

April 6.
N. C. D. N.

MR. LAMONT ON THE CONSORTIUM.

SPEECH AT ANGLO-AMERCAN ASSOCIATION TIFFIN.

Peking, April 9.

Members of the Anglo-American Association and guests who sat down to the usual monthly tiffin this afternoon were agreeable surprised to hear a speech from Mr. T. W. Lamont, representative of the American group of banks which are interested in the Consortium.

Mr. Lamont, at the outset, remarked that the Consortium never contemplated mixing in Chinese politics and did not intend doing so. On the other hand, it had two great responsibilities to discharge, viz., a responsibility towards China and a responsibility towards the investors. The only in which these responsibilities could be discharged was by making sure that the/

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the loans which were made for constructive purposes: That is by making sure that the money advanced was spent for these purposes. In the ordinary sense the Consortium would not mix in Chinese politics. It must let the Chinese settle their own political difficulties. Something had been said, he proceeded, suggesting that it was the fixed and final determination of the Consortium not to welcome Chinese capitalists and Chinese investors. No thing could be further from the truth. The question of admitting Chinese capital had come up in Paris and had been considered in a brief manner because at that time it was only a secondary issue. At that time it was thought that China would not be in the near future in a position to contribute materially to the activities of the Consortium. For that reason it was not decided that China should not participate, but it was decided that her participation should be left to the future.

In order to show what their feelings were at that time it was stated again and again that the Consortium desired to undertake only those operations which the Chinese people themselves desired them to undertake. It was farthest from their minds that they should fasten upon the Chinese people any set of enterprise which they did not wish. They had two principles which they tried to observe. The first was fairplay to China. (Applause). And the second was its corollary, the welfare of China. When they spoke of the welfare of China they did not mean the ultimate welfare of China as determinded by a group of foreigners however farsighted they may be. No, they meant in the last analysis the welfare of China as determined by the Chinese people. It might be difficult, but in the long run they were the ones to determine what was to be done for China. Unless they could have the cordial co-operation of the Chinese, unless they could have their assistance in every operation, the Consortium was bound to fail. He looked forward with every confidence that the material resources of China, latent now to a considerable extent, would be mobilised to a point so that they will help the development of China and to a very great extent the operations of the Consotium. In conclusion, he said that there was no point about the Consortium which they were not prepared to sit down and discuss with their Chinese friends because it is their opinion that they were anxious to gain.

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JUN 12 1920

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WAR DEPARTMENT

SUBJECT STUDENT ACTIVITIES.

From H. A. POLITICAL

No. 2518. Date April 19th, 1920., 19

Replying to No. Date, 19

M.I.B., O.C.S. JUN 1 1920

- - - - - 1 7 - POLITICAL - - - -

Herewith are copies of a telegram and two statements issued by the National Students' Union at Shanghai. The source from which we received these copies is reliable.

Following the telegram and statements is an account from the "Peking & Tientsin Times" (British) of what actually happened in Shanghai. As yet, no renewed student activities have been reported outside of Shanghai. It is known that plans had been made for demonstrations on or abour May 4th however. It is believed that the present demonstration in Shanghai is premature and will have no national significance although it is possible that the failure of the students in the provinces to act is due to telegraph and press censorship and that the response will come in a few days.

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CORRECTED COPY OF TELEGRAM SENT THE PEKING GOVERNMENT BY THE NATIONAL STUDENTS' UNION. Apr. 9, 1920.

"THE PRESIDENT'S OFFICE, THE CABINET, Peking: Diplomatic failures have stimulated the people. Your treacherous actions have caused the people to gnash their teeth. That the people are against direct negotiation with Japan with regard to the Shantung Question, that China cannot give in on the Foochow Incident and that the Military Pact must be repudiated have been sufficiently expressed.

Since the fourth year of the Republic of China, harmful treaties have been made between Japan and China, such as the 21 Demands, the Exchange of Notes respecting the Kiaochow-Tsinan Railway, the Agreements of the Tsisuan, Kaohsu, Manchuria and Mongolia lines and other contracts arising out of loans which impair China's sovereignty, military and police functions, finance and communications. But you have undoubtedly heard more than once the repeated declarations of the people that they can in no wise recognize those treaties as valid.

Since May 4th, 1919, we have forsaken our sacred studies and exhausted ourselves in the service of the nation. In the other words, we are doing bit for the safety of our Motherland and eventually for self-protection. China is now facing great dangers. The present is the cirtical time for our unfortunate nation. Let this

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Binding Margin.

SUBJECT STUDENT ACTIVITIES.

From H. A. POLITICAL

No. 2518. Date April 19th, 1920., 19

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be our last warning to you. In order that the sovereignty and territory of China be maintained, you are required within a period of four days, to rebut, whole and entire, Japan's notification and then announce the abolition of the military Pact.

To dwadle means that you are willing to be traitors. We, the students, cannot bear to see our glorious Chinese Republic demolished through your hands, Though wanting strength, nevertheless, we may have been able to meet you empty-handed. Do not think that foreign help and arbitrary rule are dependable. Do not think that the people and the students can be deceived. The Classics says "Oh sun, when wilt thou expire? We will die together with thee." We hope you will take this dilemma into careful consideration.

The China National Students' Federation.
April 10, 1920."

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STATEMENT ISSUED BY THE CHINA NATIONAL STUDENTS UNION,
April 14, 1920.

"The China National Students' Union announces that unless a reply is received from Peking to the telegram sent on Friday giving the Government four days notice to break off direct negotiations with Japan and to repudiate all secret agreements, a strike of students will be called throughout the country on Wednesday morning April 14, 1920, at 9 a.m.

The China National Students' Union feels that owing to telegraphic difficulties some of the cities may not go on strike on Wednesday, but it is believed that before the week is over the strike will become general throughout the country. It is hoped that merchants and laborers will join with the Students in this movement. Every effort will be made by the Students Unions throughout the country to protect the property of friendly foreigners, and to avoid inconveniences which were suffered during the strike last year. There will be no demonstrations in the International Settlement and no efforts will be made to interfere with the peace of foreign community.

The National Students' Union feels that this is strictly a Chinese matter, with which friendly foriegners are not concerned, except, in so-faras the students of the country are waging a war for the establishement of good government in China and for the maintenance of the integrity of China, which ultimately cannot but serve the inter

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SUBJECT STUDENT ACTIVITIES.

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interest of friendly foreigners in maintaining their commercial and economic relations with the people of China.

Japan has during the past years seriously endangered the peace of the Pacific by her unscrupulous conduct in China. Unless Japanese militaristic activities are forever stopped on the Asiatic mainland the greatest war in the history of the world will have to be fought sooner or later on China soil, between Japan and the nations of the West. The Students feel that they are now fighting the opening battle of this war and that they are sacrificing themselves now in a conflict, which, if won by them, will make unnecessary subsequent sacrifices by the young men and women of the West. They therefore, look forward to sympathy from the residents in China of Western nations.

The strike was called by representatives of the following provinces and cities: -

Shansi, Chekiang, Shensi, Fukien, Hunan, Kwangsi, Honan, Szechuan, Hupeh, Chihli, Kiangsu, Peking, Shantung, Tientsin, Anhuei, Shanghai, Kiangsi, and Returned Students from Japan."

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"To the Foreign Community in Shanghai : -

On Wednesday morning at 9 a.m. the students of this city will join with their brothers and sisters throughout China in a general strike against the Peking Government. Rightly speaking, this is not a strike against individuals of the Peking Government, for we have no quarrel with individuals. We are leaving our studies in a protest against Japanese activities in China, and elsewhere on the Asiatic mainland, which give every indication that Japan proposes to Koreanize our Motherland.

You will remember the Twenty-One Demands. You will remember how Japan took advantage of the fact that your countries were engaged in war or were not free to give careful attention to Far Eastern Questions; how at that time Japan made a major effort to destroy the integrity of China. You all know how since then Japan has been keeping North and South divided, has fomented and subsidized strife within the land, has debauched our officialdom, has impeded our commercial development, has mortgaged our natural resources, has filled our land with morphia and opium and has used every dishonorable means to weaken our young republic and to stultify its growth. These acts culminated in two facts: In the Sino-Military Pact of 1918, and in the Shantung Decision at the Peace Conference.

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The provisions of the Sino-Military Pact are unknown to us. We only know that it is one of a long series of secret agreements and treaties which have been made between the officials in Peking and the Government of Japan. We only know that through those treaties China has lost her sovereign rights over her army and navy, her arsenals and naval bases, her police and her means of communications. In return for sacrificing its basic rights of sovereignty to Japan these officials have received Japanese monty.

But, we, the growing generation of China, we shall have the burden of winning back these rights for China throughout our lives, When we strike today it is the beginning of our effort to win back in fair fight what the treacherous of our land have sold for a mess of potage.

With regard to Shantung you are as well aware of the fate of our sacrificed province at the Peace Conference as we are. But perhaps Shantung does not mean to you what it does to us. Perhaps you do not feel that one province can be a loss to a weak nation. But, we Chinese, feel that a dagger has been thrust into the heart of the country and that unless the dagger is torn out and the wound healed the country must die. We are now taking whatever means we can to tear this dagger out and we call upon you as liberty loving human beings to help us.

The Strike which we call on Wednesday morning concerns only China. It is our effort to initiate a nationwide demand for good Government and for patriotism. We know that you fear our strike, for you have been told that we are dangerous, young, inexperienced boys and girls who are only disturbing you in your efforts to trade, to teach, and to heal in our country. We know that last year when we successfully prevented the Peking Government from signing the Peace Treaty by our strike, you suffered inconveniences and that your Settlement was disturbed and that you were forced to call out your Volunteers to maintain peace.

There is no need for us to say that perhaps you were in error last year. That matter is settled. This year we have more experience and we realize that if we are to succeed in our struggle with the Peking officials, our battle must be with and among the people of China and not among foreigners. We therefore from the outset give you every assurance that the students will take every precaution to prevent disturbances in the International Settlement in Shanghai and to prevent inconveniences to foreigners. There will be no demonstrations in the International Settlement. There will be no parading in the International Settlement. There will be no

students/

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students marching with banners and signs in the International Settlement. We hope that the merchants, shopkeepers, and laborers will join us in our movement, And we ask yourindulgence of whatever slight annoyance this may cause you, But we shall brand as disloyal any Chinese who uses this occasion to interfere with the food supply, with the water supply and with the light of the foreign inhabitants of Shanghai. We crave your sympathy not your antagonism. And we are creating an agency which will with the greatest attention watch any manifestations in our movement which might bring offense to the foreigners friendly to China. And we shall stamp out any effort that our opponents may make to discredit our movement by annoying you.

Friends of Great Britain, America, and France! You who have your Magna Charta, your Declaration of Independence, your French Revolution, you who have fought and bled for liberty, you who have just sacrificed your sons in the cause of democracy, can you see China bleed and not wish to heal the wounds? Can you see our nation destroyed by autocracy, by corruption, by debauchery and not wish to help us. We ask your sympathy. We ask you not to prejudge us. We are fighting your battle as much as our own, for what you have done on the Atlantic we must do on the Pacific and our strength is not a match with the strength that you brought against autocracy and corruption.

s/s/ China National Students' Union,
Shanghai Students' Union."

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From"Peking & Tientsin Times", April 16th, 1920.

SHANGHAI STUDENTS STRIKE.

TWENTY-THOUSAND STUDENTS INVOLVED.

Shanghai, April 14, - The students' strike commenced this morning. All schools are affected and 20,000 are out. There have been no disorders. There was a great demonstration and parade in the Chinese City this afternoon.

The strike began in earnest at the appointed hour of 9 a.m. The students from all Shanghai's 80 schools, practically without exception, are participating. A mass meeting was held at the West Gate at 2:30, whence, starting at 3:30, a procession ten li long serpentined the streets of the City for two hours, the students shouting "Overthrow the treacherous Government and boycott

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low grade goods." No resolutions were passed at the meeting. There were no disorders and the police offered no opposition.

The students involved are said to number 20,000, of whom 5,000 are girls. To-morrow the students open a campaign for "Strengthening the boycott," meaning a shop-to-shop inspection of goods, with confiscations. The strike hitherto has been confined to the students. The shopkeepers are not affected."

THE END.

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WAR DEPARTMENT

3-1

SUBJECT CONDITIONS IN SIBERIA AND MANCHURIA.

From H.A. POLITICAL.

No. 2551. Date April 23, 1920., 19

Replying to No. Date, 19

17 - POLITICAL

REC'D M.I.D.G.S. JUN 21

The following is the statement made by an American Railway Service Captain from Harbin. This man has been in Siberia and Manchuria for two and a half years, and is very conversant with the whole situation there. His statement speaks for itself.

THE HILAR INCIDENT.

The Japanese arrested 11 railway employees in Hilar on April 14th, 1920, and all the people protested against it. Major Colby protested against the arrest of these men by the Japanese because it was going to cause a strike and tie up the railway and stop the evacuation of the Czechs. The Japanese refused to release them and took them to the station to load them on Train No. 3 to send them to Siberia and every one living in that vicinity, including our own men, know that when any one is sent to Siberia by Semenoff, that it means death,(to shoot them without any argument). When the Japanese would not release the men then our Major went to the Chinese and asked them to have these men released. When the Japanese brought the men to the station to put them on the train, the Chinese had soldiers there to prevent the loading of these men on the train. During the argument which ensued some one in the crowd threw a hand-grenade, killing one of the prisoners and severely wounding another. I do not know whether any of the Japanese were injured or not at that time. As soon as the hand grenade was thrown the Japanese ran and, after running a short distance, they reformed and opened fire on the Chinese troops and Russian people. The Chinese returned the fire and there were casualties on both sides. The affair ended by the Japanese retreating to the barracks and the barracks were surrounded by Chinese. During the firing the Czech eschelons, of which there were six in the yard, were hit, one Czech officer killed and several soldiers wounded. It is our understanding that the eschelons were in the direct line of fire. Our barracks, however, were also struck. After this had all quieted down, the Japanese started to put troops into Hular from Manchuli Station and some from the East. The Czechs had the Brunivick Orlek in the yards at Hilar. The Japanese cut all wires so that there was no communication with Harbin and then insisted upon the Czechs giving up their arms and the Brunivick. As the whole city was surrounded, the Czechs could do nothing but comply with their request.

The Japanese claim that the Czechs are the ones who fired on them instead of the Chinese and this is what the Czechs denied.

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From

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Replying to No. Date, 19

THE JAPANESE AND SEMENOFF.

For the past two years and a half the Japanese have been supporting Attamen Semenoff. They have been furnishing him with arms, ammunition, and munitions of war of all kinds. I have personally been told by several Semenoff officers that they believed that the Japanese should have special privileges in outer Mongolia. I think that the plan of the Japanese there was to seize the Ussri Railway from Vladivostok to Pogranicknaya. The Chinese Eastern from Pogranicknaya to Manchuli City into TransBaikal from Manchuli to Irikutsk. I figure that the Chinese Eastern will be handled and controlled entirely by the Japanese and that they expect to form a Buffer State from outer Mongolia and North Manchuria with Attamen Semenoff as the dictator, his authority to be ypheld by Japanese troops. It is my honest belief that if this is allowed to be done, Japan will have many special rights in this territory and it will be impossible for the people of other Nations to do business with Siberia through the port of Vladivostok.

The Japanese are purchasing all electric light stations, what telephone stations they can, many stores, forest lands, coal mines, and all other property that they can get hold of in this territory. They now have two telegraph wires from Vladivostok to Chita which they strung in the winter of 1918. Not long ago at the station of Pogranicknaya they unloaded 5 cars of iron wire which I have no doubt will be used for stringing another wire. They have a wireless station at Manchuli which was erected by them. They have seized the Russian Wireless Station at Harbin and Chita and they are operating them all of the time. The Japanese have a guard consisting of from 10 to 300 men, at each and every station on the Chinese Eastern Railway. The above is a direct violation of the Inter-Allied Agreement, which specified that the Chinese Eastern Railway was to be guarded by Chinese troops. They are putting up new buildings in Harbin and everything would indicate that they are there to stay.

About one week ago the Assistant Stationmaster at Harbin told us that for the past 22 days the Japanese had been putting nearly 1,000 men into Harbin each night from Changchung. He states these troops are being unloaded about 3 verst out of Harbin and are being placed in Barracks which surround the city. About a week ago the Japanese had a piece in the paper stating that on this night they would have manuevers around the city, and in case the people heard firing that they were not to be alarmed as that it was only the Japanese manuever. These manuevers were carried out and there was some firing.

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It is my personal belief that in Manchuli and Eastern Siberia, excluding Siberia, there are at least 75,000 Japanese troops and that, on the Ussury Railway and in Vladivostok, there are between 90 and 100,000 Japanese troops. The Japanese had interfered with the operation of the coal mines at Suishan and Uzolnaya so that the Allies have been forced to buy coal from Japan to keep the railroads and the city of Vladivostok alive last winter, and, right now, the Japanese have got troops holding all the coal mines in the Ussury regions. About one month ago they sent 200 troops to the Chalamoor Mines on the Chinese Eastern Railway. This started a strike with the Russian workman immediately upon the arrival of troops. Through the efforts of Major Flannigan, the Japanese General in command at Manchuli was induced to withdraw this guard. They were replaced by Chinese. The Japanese General promised to withdrawn the troops the first time Major Flannigan saw him, but nothing was done and it was necessary for the Major to call on him the second time before they were withdrawn.

ATTAMEN SEMENOFF.

My personal opinion of Attamen Semenoff is that he is nothing more or less than a murderer and a bandit. That he has not got the support of one laboring man in all Siberia, the only people who are supporting him are the Japanese and a few former Russian officers. Any Russian peasants whom he has in his army were forced to join and are not volunteers. It is a common practice that if a man has a house or any other property which Semenoff wants, he takes the man into his armored trains and forces him to sign a bill-of-sale or make out deeds, and, if the man makes any holler afterwards, he is shot for a Bolshevik. Semenoff's so-called "Court" last summer was held at the Station of Makkyeavo. The trials here were a mere farce and each day there were executions. He held so many executions at this station that he, himself, put out orders that the water in the river which runs near it was not to be used on account of it being badly polluted. Shortly after this they moved their executing grounds to the station Adrianovka, where we had several officers stationed. These officers have told me that they personally saw as high as 340 persons executed in one day, both men and women. These prisoners are brought into Adrianovka in prison cars and many of them were without food so long that they could hardly stand. In herding them to the toilets, it was a commin practice that, if a woman staggard, the Semenoff soldiers hit her in the hind-end and with the butt-end of the gun and knocked her down. Our officers say that Semenoff executed over 1,000 persons at this station. It is hard to say how many he executed at Makkyeavo, but it is certain that it

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was many more than were executed at Adranovka. Just before our Lieutenant Byer evacuated from the Station Sloodunka, Semenoff executed four persons about 1 verst east of the station. These bodies were badly mutulated, the ears and nose being cut off, "privates" cut off and stuck in their mouths, and a sword run up their rectum. Lieutenant Byer informed me that he has photographs of these people as they lay where they fell. He also states that he was at the coroner's inquest which was held in Sludoonke after Semenoff had left the town. While he was in the town he would not allow the bodies to be brought in.

In all of these cases it was not Semenoff himself who did these things, but it was his officers in command of the armored trains.

The first part of January they executed 26 railroad men at the Station of Olovanaya and whipped two so badly that one died afterwards. This was done by a young officer whom I would judge was not over 22 years old, who was in command of an armored train. Not long before this, they took six telegraphers from the Station, Manchuria to Dauria and executed them there. All of their armored trains are equipped with one car which is fitted up for whipping people, and it is common practice for them to whip men for the slightest offense and many times for no reason whatsoever that we could see. In fact, it seems to be the practice that the commanders of the Brunivicks to call up the station commander at the various stations and request him to arrest 2 or 3 fellows because the armored train is coming along. All of the railroad employees in the territory occupied by Semenoff live in constant fear of whippings or being shot. The commanders of his armored trains are absolutely irresponsible and Semenoff, it would seem, has very little control over them.

If any of Semenoff's men see a woman that they take a fancy to, they take her and those who refuse to submit are beaten or killed, or else, all her family are beaten, and by that means, they are forced to give her up.

It is my opinion that including the so-called Kappel Army, Semenoff has not got over 5,000 soldiers at the present time. Many of these are Buriats and Mongols. In fact, outside of officers, he has very few Russian soldiers. The only reason any Russian will join him is for the graft there is in it, or as a last resort, to make a living.

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BRITISH ATTITUDE TOWARD SEMENOFF.

Last summer there were two English Officers stationed at Chita and many arguments were carried on with our officers there. The English Officers always maintained that Semenoff was the only real man to have charge in that territory and that eventually he would rule this whole district. These officers always maintained this in spite of the fact that Semenoff refused to allow his troops to go on the Ural Front. At no time while there was a Front in the Urals, did Semenoff render any assistance to Kolchak. In fact, whenever he had an opportunity of confiscating supplies which were going to the Kolchak Army, he did so. He was always sending reports about uprisings of the Bolsheviks in the TransBaikal District as well. As a matter of fact, all of the disturbances in this district were caused by him or his forces. His object in causing these disturbances was to make the Kolchak Government believe that it was necessary to keep an army there, and this was one of the excuses he used every time he seized supplies going to the front.

It is the general belief among our men that the British Red Cross Train in charge of Colonel Young which recently passed through Harbin was bound for Semenoff's forces with supplies. We cannot state positively as to this, but from all the things we saw last summer leads us to believe that the British wished to uphold Semenoff. We received a report in Harbin from a British officer, passing through, that he saw three British Officers lying dead on the station platform at Taiga. The facts in the case are that these officers were not killed but are being held by the Bolsheviks in the city of Tomsk. They have a house there and have the freedom of the city, except for a guard on the house which sees that they do not leave the town. Mail for these officers, I understand, is being withheld from them except letters from the wife of Colonel Johnson. I also understand that the Bolsheviks are reading these letters to him. There are also several British officers being held at Krasnoyarsk. The last time these were seen by any of our men, which was in March, they were safe, in good health, and were receiving supplies of food and other things necessary from the Soviet. They are not allowed to leave the city of Krasnoyarsk.

RUSSIAN ATTITUDE TOWARD JAPANESE AGGRESSION.

After the recent coup of the Japanese at Vladivostok and on the Ussüri Railway the Red Army and a great many of the civilian population took to the hills. The Russians seemed to think that they are in no condition at the present time to carry on anything but geurilla warfare against the Japanese. It is my opinion that throughout the Usurri and Amur Railway districts this is what will be done. In fact it has been going on.

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There have been Japanese troops on the Amur Railway and now conditions will be much worse because all of the Russians, except a very few who were receiving benefits from the Japanese, have a bitter hatred toward them. I understand that the Red Army which came through from the Urals has some 60 eschelans between Irikutsk and Verkne Uchinsk but, as they have such a long line of communication, it is doubtful if they can put up a prolonged fight against the Japanese and Semenoff's forces, which have had a year in which to accumulate supplies and prepare. It is my opinion that, if the main Red Army is driven back to the tunnels of Lake Baikal, they will make a stand there and tha constant geurilla warfare will be carried on between Irikutsk and Chita. I do not think that the Japanese will attempt to go any further west than Irikutsk.

WITHDRAWAL OF ALLIED RAILWAY SERVICE CORPS AND ITS EFFECT.

Our Corps is now being withdrawn from the Chinese Eastern Railway and our places being taken by Japanese Railway men. When we vacated the offices in the Roundhouse at Harbin, the Japanese immediately moved in. It is said in Harbin that they have sufficient men at all stations between Harbin and Changchung to replace the Russian Staff. On the streets in Harbin very many Japanese Railway men can be seen in the uniform of the Imperial Railway of Japan as well as in the uniform of the South Manchurian Railway. It is my opinion that, as soon as we leave the country, they will take over the actual operation of the Changchung line and, if the Russian Staff should again strike on the main line, they will be replaced by Japanese railway men. On the Usurri Railway, the Russian Railway men absolutely refuse to work except a few crews who are helping to evacuate the Czechs. These men will not run a train unless the Czech Flag is displayed and they have the Czech guard. The Japanese have made the statement that they will turn the power back to the Zemstov on the Usurri and Amur Railways. I do not believe that they have any intentions of doing this. It is my opinion that they will turn the power back to some such a man as Rosenoff was, and will call it a Zemstov. They seem to be perfectly willing that the people should have a Zemstov as long as it is appointed by them. The Japanese intend to replace our Corps with a Japanese Corps similar to ours, except that they plan to have all the workman Japanese as well as the supervisory forces. If their intentions were only to do the same work that we have been doing, it would not be necessary for them to have the number of men ready that they now have. We never had any men on the small stations.

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JAPANESE AGGRESSION AND ATTITUDE.

It is reported that a large timber concession extending from Iampo to Hilene which was formerly owned by an Englishman named, W. Jones, has been purchased by the Japanese for 4,000,000 Yen. This concession is equipped with a railway spur and has a large saw mill in Hiline and furnishes most of the wood used on the locomotives of the Chinese Eastern Railway. This practically gives the Japanese control of the fuel situation as well as the lumber in this part of the country.

The attitude of the Japanese soldier towards Americans in uniform is insulting at all times. The Japanese officers, when they are called on by Americans are very polite, but they assume the attitude that they have everything in their own hands in this country at the present time and that an American has no business meddling in their affairs of the Russians or the Chinese.

THE BOLSHEVIKI.

It is my belief that fully 98£ of all the Russian people along the lines of the railway in Manchuria and Siberia are Bolsheviks, and all of the peasants whom I have talked to are also Bolsheviks. The people are not affaid to tell the Americans that they are Bolsheviks. I have had many railway men whisper this to me in the Semenoff territory: "It is not safe for any man to say openly that he is a Bolshevik in any of the Semenoff territory". The people have told me that they are afraid to talk with their own families regarding the political situation.

I was at the station of Pogranicknaya not long ago while the strike was going on on the Chinese Eastern Railway and witnessed the receiption which a few troops of the Red Army received at that Station. The people assembled near my car about 6 o'clock in the morning with the Red Flags and other flags with the inscription on them: "For the dead who were murdered by the Kolchak regime". These people formed into a parade near my car and marched through the town singing and later came to the station to meet the troops. While at the station the commander of the troops made a short speech to the people and I saw old ladies and old men fall on their knees, the tears running down their faces, and thank God that freedom had come at last. I never dreamed that there were so many people living in this town as there were in this parade. It included the school children as well as all the other people, the schools having been dismissed so that the children might take part. The Red Flag was raised on the station, on the roundhouse and on many private dwellings. Nearly every man, woman and child in the city had a small Red flag or a piece of red rag in their hat

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Replying to No. Date, 19

or tied to their clothing. The troops were well equipped as regards clothing, arms, and had one 3-inch gun mounted on a flat car.

It is the first time since I have been in Siberia that I have seen the people and the soldiers mingle together as friends in an open-hearted way and no one was afraid to talk. There were one or two of the minor railway officials who were openly talking against the Bolsheviks and I personally know that, if the Bolshevik under like circumstances had been talking against Semenoff or Kolchak, they would immediately have been put under arrest, and, no doubt shot without trial. These officers talked all they wanted to, no one harming them in any way or threatening them. In fact, it is the first time that I have seen a gathering of people who were not afraid to express their ideas whatever they might be.

Copies to:
3 - M.I.D. Washington
1 - American Legation
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1 - Naval Attache
1 - I.O. Manila

3-1

OFFICE CHIEF OF STAFF
M.I. INTEL. DIV.
1920 2657-J-130 JUN 21
WAR DEPARTMENT

SUBJECT CONDITIONS IN SIBERIA AND MANCHURIA.

From H.A. POLITICAL.

No. 2532 Date April 23, 1920., 19

Replying to No. Date, 19

17 - POLITICAL.

REC'D M.I.D.,G.S. JUN 21 1920

Notes of interviews with responsible and well informed residents and officials at Harbin, concerning the North Manchurian situation. April 17, 18, 19, 1920.

The situation in North Manchuria, from an interntaional point of view, is one of first magnitude. The Chinese Eastern Railway, strategically and economically, is the key which must be maintained in Chinese hands if the balance of power is to be kept adjusted. At present it is really under the mastery of no one, though Chinese, Russians and Japanese each have finger in the running and control of it, and each is striving for effective management. The Japanese are maintaining strong pressure on both Chinese and Russians, and are working through the latter to secure the mastery, their tool at the moment being Ataman Semenoff.

Japanese guards have been increased all along the line from Vladivostok, there being from 200 to 300 men placed at posts where but 20 or 30 have hitherto been stationed. Ever since the withdrawal of the British and American forces from Siberia there have been signs of aggressiveness on the part of the Japanese, and particularly so since the coup at Vladivostok. Not only have the guards been materially increased, but Japanese soldiers were despatched to seize the bridge over the Sungari at Harbin, as well as the wireless station at Harbin. The former they relinquished to Chinese guards a couple of days later though sentries are maintained at the bridge-heads, but the wireless was in their hands on the 18th of April, with no signs of abandonment. The increase of guards took place simultaneously along the line. It is not believed that a definite order was given to the various Japanese officers in this connection, but the move had the appearance of a preconcerted affair in which the various officers acted as though warned to do so in event of a given set of conditions arising.

The Japanese are supporting Semenoff as Dictator of a buffer state, and if he is removed in any way they will support any other Russian for the position who will comply with their desires and cooperate with them. At present Semenoff is said to have some 2000 men at Chalok, west of Chita, where they are entrenched. Of these 2000 it is claimed he can rely only upon 200. In addition to his own men he has about 10,000 men under General Voitzchecovsky, one of the Generals under General Koltchak, who successfully retreated after the collapse of Koltchak.

Semenoff is endeavoring to secure popular approval as heir to Koltchak, but the indications are that the peasantry are against him. They are likewise heartily against the Japanese.

Semenoff's/

Semenoff's following are reported to be ruthless in their dealings with the people. Merchandise is confiscated no matter to whom it is supposed to be delivered. Gold has been shipped out of the country by the car load, and is stolen from all who are known to possess the metal. Twenty-six poods of platinum, said to be more than the world produces in a year, were recently sent out by Semenoff, and his agents are scouring everywhere for more.

Workmen on the Chinese Eastern Railway in the section controlled by Semenoff, or peasants or merchants who make any protest against his rule are sent off to Dauria station and there they are done to death by Baron Ungern Sternberg, who orders men to be shot in batches of from Seventy to eighty. He is credited with over 2000 murders of this kind up to the middle of April. Terrorism is rife throughout the country controlled by this group. Dauria station is described as the gallows of Siberia.

The conditions round Chita are described as deplorable. There is practically no food, merchandise does not go forward, there are no clothes, boots, or other necessities.

It is claimed that the Japanese act with Semenoff in the arrest of persons who are regarded as undesirable, and these people disappear.

The Japanese for purposes of their own are endeavoring to extend the power of Semenoff over the entire Chinese Eastern Railway. This will facilitate control of the country and give Semenoff control of the people. Any protest or agitation could then be ruthlessly suppressed in Chinese territory. At present the Chinese are afraid to protest, and any Russian who demurs is in danger.

The Chinese and the Allies must refuse to allow Semenoff to enter Chinese territory with arms. At present this is being done, but recently 500 of Semenoff's men went without arms to Hailar, and there were armed by the Japanese. When the Chinese generals protested the Japanese claimed that the men could come over in accordance with the terms of the Military Pact. The Chinese officers asserted that Russians were not allowed to operate under the pact, a statement which was dismissed by the Japanese who declared that the Russians were in the service of Japan.

Semenoff is accompanied by a Japanese adviser and he takes no step without discussion with his adviser.

This man is Captain Kaurizawa (said to have come to China in connection with the Military Pact) and he is said to be the soul of the intervention in Chita.

The Japanese have about 25,000 men at Chita, and they are endeavoring to arrange resistance to the Red army by standing behind Semenoff, and helping him if needed. The peasants and civil population hate the Japanese as they hate Semenoff, many of the former being killed from time to time by armed peasants in retaliation of cruelties practised by the Japanese. So terrified were the railway workers on the Ussuri railway when they heard the Japanese forces were coming that they took all the belongings they could, as well as telegraph instruments from the stations, burnt the wooden bridges on the line, and fled to the forests.

The/

The actions of the Japanese can also be appreciated when the significance of the protest made to the Allied Governments by the International Technical Board at Harbin is considered. This protest is attached.

The idea of a buffer state was first advanced by the Russian Bolshevists in order to avert conflict with the Japanese. Their idea, or rather the idea of the large number of communists from the Irkutsk region who had joined the Red forces, was that in order to effect a compromise with the Japanese a buffer state could be established embracing territory including the Chita district up to the Selenga River, the Primorsk including Vladivostok and Nikolavesk, and the Priamur including Harbin and Blagoveshchensk. In this territory it was designed to have no soviet rule but to have the administration carried out by the Zemstvos. In this connection an interesting phenomenon is witnessed, the Bolshevists being willing on the one hand to abandon direct soviet rule, while the people of the region are strong in their demand for soviet control. The Bolshevists, however, intend to have immediate connection with the Zemstvos through a liason official, Mr. Krasnorkoff, a Commissary of the Soviets, who was armed with a mandate from the Moscow Government to form the buffer state and to act as the connecting link between it and the Soviet. This man would have dictated all steps connected with the financial, military, and political affairs of the State.

When the plan was about to be executed the Reds were stopped in their progress eastwards by the Japanese forces, who had moved from Manchoulie to the Yablonovky mountains and sent their wanguards on to Morgsand.

The idea of the Japanese now is to utilize the buffer state with Semenoff, or some one equally ready to carry out their wishes, as Dictator. At present Semenoff is the only one in power ready to work in complete harmony with the Japanese. The consensus of opinion is that Semenoff is a man of very little education and character, his chief quality being stubbornness. His thirst is for power, and he will work with the Japanese as the surest means of obtaining it.

If the Japanese succeed in elevating Semenoff to a Dictatorship over a so-called Buffer State, they will rule that State, and above all they will control the Chinese Eastern Railway and so secure the key to the whole North Manchurian and Siberian situation.

The immediate scheme of the Japanese is to secure the power of Semenoff over the Chinese Eastern Railway as a first step, failing opportunity to secure control themselves. With Semenoff as their hireling it will be easier for them to work, since open action by themselves is likely to evoke a protest from the foreign powers.

Once/

Once they have the reins in their hands, through Semenoff they can oust the Chinese control as it exists at the moment, and they can destroy foreign trade other than their own by the exercise of discriminatory tarrifs and by hindering transportation, as is being done at present on the South Manchuria line. Above all they will have full control of strategical points which will secure for them their footing in the whole of North Manchuria and Siberia.

Already efforts have been made by the Japanese to secure claims for action in connection with the railway, such as the supply of wages to the railway workers in the Chita district, and also their readiness to supplant Russian workmen, in the event of a strike, with Japanese railway men. It is said a railway school is operating in Harbin, established by the Japanese, to meet such an eventuality, and it is declared by competent authorities that the Japanese agents are constantly endeavoring to incite the workers to strike. The Russians, however, realize that they are between the devil and the deep blue sea and when they realized recently what was afoot, went back to work and have since stayed there, though on the 10th of April they lodged a protest against the transportation of Japanese troops across Chinese territory and threatened to lay down tools if their protest went unheeded. The protest was sent to General Pao Kwei-ching by the Russian Provisional Organization and political and social bodies and set out in effect "That for some unknown aims and reasons the Japanese are transporting their troops into Russian territory. Having occupied Vladivostok it means practical war with Russia. By the play of circumstances the Russians are in the position of managing the Chinese Eastern Railway and if the Chinese insist in having Japanese troops carried over the line it means that the Russians are against their will compelled to carry enemy troops, which, in effect, is high treason. Therefore, if they are compelled to carry troops, they will leave their work and notwithstanding the privations entailed will have to evacuate Manchuria." The restoration of Vladivostok by the Japanese allowed wiser counsel to prevail and the strike was not carried into effect. At that time the Japanese declared themselves ready to man and operate the line should the Russian workmen quit, and it is common knowledge in Harbin that they are waiting an opportunity to have an excuse to take over control in this direction.

The situation of the Chinese seems to be this: Before the evacuation of Siberia by the British and American forces, General Pao Kwei-ching, who was fully alive to what the Japanese aims were, was firm in his attitude against them. After the departure of the troops his courage flagged and he adopted the attitude that it was useless to oppose the Japanese since he was not strong enough to fight them, and that his troops would not fight them in any event, unless strongly supported by the nation. He felt that he could not count on Peking supporting him in any action he might take to uphold China's rights on the railway and that being the case it was better to avoid trouble by compromising as far as possible with the Japanese.

It is reliably stated that about a month ago the Peking Government instructed General Pao to take over the line but he deferred action then fearing the consequences. He was not sure if he took action and the Japanese opposed him that the Peking authorities would support him. In consequence he felt it was better policy to compromise with the Japanese in order to preserve peace in the north.

General Pao is in accord with General Chang Tso-ling, the latter being the dominant factor. Both Generals feel that the Allies should not have retired, and seem to blame them for the present situation. They at least expected the Allies to retain a force somewhere in the region if only to keep an eye on the Japanese, at all event until some decision had been agreed upon with regard to Siberia.

The Generals/

The Generals would not, however, do anything themselves to maintain China's standing or preserve her prestige, their claim being that they were not sure of the attitude of Peking.

It would appear that there is one definite course of action that might be taken to save the railway from falling completely into the hands of Japan, and that is for the Allies to support China in taking over the concern--support her, that is with an Allied Technical Commission, and a loan to put the line on a proper and adequate operating basis.

The railway should be taken over not merely for the sake of China or of Russia but in order to preserve the interests of other nations, but the basis of action should be China's claim to the line, and not the claim of any other nation.

Japanese agents are watching every move made in the north and in addition to other methods of acquiring control of the railway it is stated that a proposition is being advanced as a balon d'essai which involves "cooperation" between China and Japan in taking over the line. If China agrees to this scheme she might as well give up hope of ever rescuing North Manchuria.

The one thing China must keep before her is that North Manchuria is her territory and that it will be her own fault if she loses it, inasmuch as she now has the opportunity to play a large game on a sure footing. She can take the line over and appoint a foreign technical commission herself, if the Allies show no inclination to aid and abet her in this direction. Nor should she wait a lead in this respect. If she does not act then someone else will, and it will probably be Semenoff backed by Japan.

The opinion is expressed that the Japanese can easily maintain order in the region of the railway if Semenoff can be placed in the position they want him to occupy.

With a year or two of Semenoff rule the Japanese will be able to secure all the concessions they want both in Manchuria and Siberia and so far as the former are concerned they will be ratified by their friends in Peking, and it will then not matter much whether Japan annexes the country or not.

Very few people have any confidence in the old regime, the royalists, or whatever they may be called. Harbin seems to be full of them. Some people still believe in General Hovarth but those who were originally inclined to support the campaign against the Reds have given up hope of this, and openly express their contempt for those who carried on the campaign and condemn them as in cases being worse than the Bolshevists.

Most people now seem to favor the Soviet. The only Russians who condemn it are those who pin their future positions to a restoration of monarchist rule.

Responsible American opinion is to the effect that the Reds near Chita are admirable in their conduct, and in their efforts to get the country settled and the people to work.

The railway is said to be in excellent order, and is being maintained as it should be. A distinct plea is made for recognition of the actual situation.

On the/

On the other hand there are some foreign observers who are in the position to watch events who condemn the Bolshevists entirely, and claim that the only hope is for the success of the opponents of Bolshevism. But the consensus of opinion is against these, and all Russians except the old Imperial officials, would like to see Soviet rule come in. It would seem that they welcome any settled sort of government, bad if it is impossible to get it good, so long as their is a government.

At present Harbin is not actually controlled by any one. Chinese police are on the streets, but they are neither effective nor good looking. The city is apparently quiet. The Russian population, said to number 100,000 now, moves about quietly but there are a number of unruly characters about who keep the popular nerves strung.

The financial situation is interesting inasmuch as the rouble has completely disappeared as a medium and has been replaced by the yen. The Bank of Chosen has flooded the market and yen are used by Russians and Chinese, both refusing to deal any further with roubles. Consequently yen is the sole currency, and it is declared that the notes are being printed at Seoul as fast as possible to fill the demand. Prices are abnormally high, the population apparently still thinking roubles but charging yen. The domination of the market by the yen is again for Japan, and unless Chinese money is put into circulation very soon through the railway, the yen will maintain and even strengthen its position until it will be well nigh impossible to oust it. If Chinese silver is paid to the railway workers as wages and the Chinese merchants and shopkeepers are induced to insist on Chinese money there is a good chance just now to work the yen out of the market.

The consensus of opinion is that the whole situation would be cleared up by the immediate taking over of the Chinese Eastern Railway by the Chinese supported by a foreign technical board. This ought to be done as much in the interests of foreign trade as of China and Russia. This question is no doubt of great moment, for upon its settlement depends the whole future of Asia. With Japan in control of North Manchuria and Siberia she is in control of a granary unequalled by any other part of the world, and she has a strategic position which will be unshakable in the event of future difficulties. Above all it will place her in complete command of China if ever she wishes to act on a war footing, and if China cannot save herself from this menace she ought to be helped to do so in the interests of the whole world.

The actions of the Japanese have been such in Siberia and North Manchuria that they will scarcely bear the light of day. The protest which follows, deals with some, but since then the full import of the events at Vladivostok, Hailar, and Harborovsk has come to light. Information about the incidents which have taken place at these spots is sufficient to awaken the white race to what should be their course of conduct, and above all it should be sufficient to stir the Chinese to action to maintain their own rights in their own land, or what is at present their own land.

The protest sent to the various interested Legations by the Foreign Technical Board on April 14th was as follows:

Whereas (1) Two Russian railway employees at Imianpo were suddenly arrested and summarily shot on April 6th by some Japanese soldiers without trial.

Whereas (2) On the evening of April 8th two Russians were rufused passage over the Sungari bridge at Harbin by Japanese soldiers in spite of their passes entitling them to such passage. One of them was thrown over the bridge and the other had his head badly cut up by these Japanese soldiers. Both were badly injured.

Whereas (3)/

Whereas (3) On the evening of April 8th eight railway employees were suddenly arrested at Hailar by some Japanese soldiers and were locked up in a Japanese Military car to be transported to some unknown destination.

Whereas (4) Three Russian railway men were arrested at Manchuria station on April 10th by Japanese soldiers.

Whereas (5) These violent acts have created a widespread excitement and indignation among the railway employees and are most liable to precipitate grave troubles leading to the interruption of communications, the delay of Czech evacuation and the disturbance of of the whole region, all of which tend to defeat the purpose and function of the Technical Board.

Whereas (6) These acts are regarded by the Technical Board as being in direct contravention to the Inter-allied agreement covering the guarding of the Chinese Eastern Railway which duty was assigned to the army of the Chinese Government by the Inter-allied powers, and that the military forces of no other nation have any authority in the guarding of this railway.

Whereas (7) The Technical Board portests in the strongest possible manner against the interference and high handed actions of the Japanese troops in these and similar instances, and asks for an assurance from the Japanese authorities that such acts will not be repeated.

RESOLVED (a) That this protest be placed on record.

(b) That copies of this protest be telegraphed by the Secretary of the Board to the Inter-allied Committee and that such member of the Board be requested to telegraph the same to the representatives of his country at Peking.

(c) That the Japanese member of the Board be requested to hand a copy of same to the senior Japanese officer commanding troops in Manchuria and Siberia.

The above resolution was presented by the President and passed by the Technical Board, April 14, 1920, with the representatives of Great Britain, America, France, China, Russia, and Czecho-Slovoyk assenting and the Japanese representative dissenting.

END.

The above report was written by an Australian who is in very close touch with the situation in the Far East, not only in internal affairs of China but in the international relations between Chin, Japan and Siberia. This report was submitted by him to the British Legation and also to certain Chinese officials.

Copies furnished:
3 - M.I.D. Washington
1 - M.A. Tokyo
1 - Naval Attache
1 - Commercial Attache
1 - American Legation
1 - I.O. Tientsin
1 - I.O. Manila

OFFICE CHIEF OF STAFF
CHINA, U.S.A.

3-1 1920 3657-9-138

WAR DEPARTMENT

SUBJECT: POLITICAL SITUATION IN SOUTHERN MILITARY GOVERNMENT.

From: M. A.

No. 3566 Date: June 1, 1920., 19

Replying to No. Date: , 19

REC'D M.I.D., G.S. JUL 2 1920

The accompanying report was prepared by an agent on the complex situation existing in the Military Government in South China. It was received just in time to be forwarded in the June 1st pouch and no abstract could be made.

To the political sub-section this report should be very enlightening as it contains not only many facts, but explains the motives for numerous political activities which otherwise are not understandable. The report, however, as with all reports on Chinese politics is prepared with a conscious or unconscious propaganda purpose and cannot be accepted unreservedly. Remembering that Chinese political information, like Chinese money, is always subject to a discount, this document is well worth the time required to digest it.

Binding Margin.

CONFIDENTIAL.

DR. WU TING FANG. May 18, 1920.

During the difficulties between the Yunnan and Kwangsi troops in Febraury and March, rumors arose in Canton that Wu Ting Fang had been supplying Yunnan troops with funds without having such appropiations passed by the Administrative Council of the Military Government of China. One appropriation of $80,000 had been made by the Council and paid to Yunnan by Wu Ting Fang as Minister of Finance. This payment precipitated the struggle. There were also rumors that C.C.Wu, the son of Wu Ting Fang had lost heavily in gambling and there was considerable questioning as to where he got the funds. In one evening's gambling he lost $8,000 to a Mr. Tam who is closely associated with Tuchun Mo of Kwangtung. On another occasion he lost $15,000 to naval officers. Finally there was a report that Dr. Wu had been investing government funds in private undertaking like the Canton Land Investment Company and the Sincere Company in Canton. It was known that he had loaned $300,000 to Wong Kuo Shuen of the Heung On Insurance Company of Hongkong but there was a report that there was a difference in about 9% between the interest reported by Wu Ting Fang and that actually arranged for by him with Mr. Wong.

Therefore when Tsen Shun Hsuan was about to leave for Shaokuan to arrange the difficulties between the Kwangsi and Yunnan troops there, he asked Wu Ting Fang for an account of the monies in the treasury of the Military Government of China. Wu Ting Fang as Minister of Finance was in charge of all the monies of the Government except provincial funds which remained with the provincial treasurers and which were used by the provincial tuchuns to pay off the troops and for other purposes. As Minister of Finance, Wu Ting Fang kept all accounts assisted by the Secretary of the General Affairs Bureau, which position was held by C.C.Wu, his son. All expenditures whether for military or civil purposes were made by Wu Ting Fang after having been passed at a meeting of the Administrative Council, of which Dr. Wu Ting Fang was a member. It was customary that all decisions required unanimous consent in this council and therefore whatever expenditures were made had the consent of Dr. Wu Ting Fang, who attended almost every session of the Administrative Council, which was not true of any of the other Directors. Tsen Chun Hsuan is ill and has been unable to attend, although upon such occasions he sent a proxy. However, at such times Wu Ting Fang, as Minister of Foreign Affairs and second in command, presided over the meetings of the Council and whatever action was taken at such meetings was recorded in the minute book of the Council and signed by Wu Ting Fangas Chairman. Practically speaking all non-military functions of the Military Government were in the hands of Wu Ting Fang and his son, who have rendered no report for a year.

When Tsen Chun Hsuan left for Shaokuan, Wu Ting Fang ordered his son to remove all records of the Ministry of Finance from the general offices of the Government to his private office. On March 29 Wu Ting Fang had removed most of these records from the Military Government. He then took an automobile and left the Yamen. When the guards assigned to him attempted to board the motor car he ordered them away, which was so unusual an occurence that they immediately reported it to their Commander. He had no authority to act and Tsem Hsun Hsuan was away, sofor a period of twenty minutes nothing was done. Finally the commander decided that he would follow Dr. Wu's car and if he attempted to leave Canton he would arrest him. When the car was finally traced the officer found that Dr. Wu was already on board a ship which was ten minutes out of Canton on its way to Hongkong.

There is no explanation of Dr. Wu's conduct in Canton. The members of the Military Government have unquestionably been taken by surprise. Dr. Wu has never opposed any Military expenditures, he even consenting to two payments amount to about $600,000 to Wu Pei Fu, the Chihli Commander in Hunan. This information was given me in the strictest confidence on condition that it should not be repeated to

any Chinese or newspapers or other means of disseminating information. I request that no matter what use is made of this memorandum this item shall not be divulged.

There has been no particular disagreement between Wu Ting Fang and any of the Administrative Directors, except on the proposition of making him Civil Governor of the Province of Kwangtung and that disagreement would not account for his precipitate flight.

After Mr. Wen Tsung Yao took office as Minister of Foreign Affairs he searched through all the drawers and files of Dr. Wu's office and among the papers found scattered about was a draft of a letter from Dr. W, in Dr. W's handwriting, to a person in Shanghai (Name is given) in which Dr. Wu tries to mortgage and seel some of his property. This letter was written in 1919. Yet after C.C.Wu, who has no independent fortune, returned from Paris, he was able to gamble away enormous sums. And it has not been definitely ascertained that Dr.Wu made business investments, which have not turned out well. The inference is then that C.C.Wu involved his father in financial difficulties and that Dr. Wu saw no way of getting himself out of the position except by withdrawing from Canton to Shanghai, with some $2,000,000 still on hand. In Shanghai the Parliament was to reassemble. Dr. Wu would ostensibly set up a new government in Shanghai, consisting of himself, Sun Yat Sen and Tang Shao Yi, with Tang Chih Yao of Yunnan as the only powerful element in it to lend to it a show of genuineness and that after a while Dr. Wu would announce that all the funds had been spent.

It is believed in Canton that this scheme was prepared by C.C.Wu and was based upon the knowledge that Tang Shao Yi favored the removal of Parliament to Shanghai, that Sun Yat Sen was working with Tang Chih Yao and that Tang Chih Yao was embittered against Kwangsi. It was just the sort of a situation which would help him out of his difficulty.

PARLIAMENT:

The element that was most uncertain in this plan was the old Parliament. This body had for two years been receiving $170,000 a month from the Military Government. In addition to that the following sums have been paid to it for the purposes specified:

July 26, 1919	$60,000	to complete the constitution.
Sept. 11,1919	$50,000	for expenses connected with Parliament.
Nov. 28, 1919	$130,000	to complete the constitution.
Dec. 13, 1919	$130,000	to complete the constitution.
Jan. 5, 1920	$130,000	to complete the constitution.

Although Dr. Wu Ting Fang had in his possession more than $2,000,000 of Customs Surplus in February and March, he did not pay the $170,000 which was appropriated to the salaries of the Parliaments for each of those months. Why these payments were not made is not known to anyone but Dr. Wu and his son. The salaries of the Parliamentarians were usually paid from the Salt Revenue. At this time also Dr. Wu held up the appropriation of $3,000 per month to Mr. Tang Shao Yi, as Chief Southern Delegate.

The old Parliament then was kept alive not only by enormous payments in the form of salaries, but by bribes amounting to $500,000. Parliament has altogether received $4,420,000 from the Military Government in two years ending February 29, 1920. In addition to this individual parliamentarians have received funds from the various political parties of the north, particularly the Anfu Club. It was known all the time, to Dr. Wu as well as to all the other members of the Military Government, that more than one hundred members of parliament were constantly travelling between Shanghai and Canton, coming to the latter city only in time to draw their pay. In Shanghai, they received subsidies from Wang I Tang and other persons.

The old Parliament was making a living out of the inability of

the governments to come to terms and they impeded every effort toward peace between the North and the South because such a peace would cause them to lose their spoils. They knew that Tsen Chun Hsuan were actually negotiating with President Hsu Hsih Chang for an early peace through Li Shun as head of the League of Tuchuns. They knew that one of the plans of the League was the abolition of both Parliaments. They also knew that they could never be reelected to Parliament because they were out of touch with their constituencies and new men had grown up in the towns and villages. Anyhow, the new Parliament would not be what the old one was in the way of money. So they accepted the invitation of Mr. Yi, the Canton agent of Tang Shao Yi, to move Parliament to Shanghai. (Mr. Tang Shao Yi, I understand is not responsible for this invitation. He has since dismissed Mr. Yi from service.). The Parliamentarians believed that Tang Shao Yi would be able to support them from his private means for some time and that sooner or later the alliance between Little Hsu and Sun Yat Sen, which Dr. Sun is openly arranging, will be consummated. In that case Dr. Sun always true to the parliamentarians will support them and look after their interests. They knew for certain that the Military Government under the leadership of Tsen Chun Hsuan was planning to destroy them.

The old Parliament is a body unworthy of support. It has allowed itself to be used by all politicians to serve as a Constitutional screen for corruption and chaos. It has continued in office by means of a legal fiction, to wit that its period of existence is determined by the length of time it spent in Peking. It has accomplished nothing constructive in the country, except perhaps the draft constitution. It is an impediment to internal peace because it insists that there can be no peace until its status as the only legal body is recognized and until it is allowed to serve out its term. It no longer represents anyone in China and does not communicate with constituencies. It is an extralegal, self-perpetuating body supported only by military and political groups to hoodwink the democratic elements in the Chinese populace that constitutionalism still thrives. The Parliament having practically no business was given $500,000 in one year to complete the constitution and it has made no progress whatsoever. This half million dollar in the sums noted above were bribes offered at crucial periods for parliamentary support for the Southern Militarists. They gave their support as the money was forthcoming. They withdrew their support the moment the Southern Militarists showed an inclination to make peace with the Anti-Anfu group in the North. The Parliamentarians somehwat favor the Anfu group, whose program is the merging of both Parliaments, for such a plan would give them a lease of life and some more money.

CUSTOMS SURPLUS:

The Customs Surpluses were paid to the Military Government on the basis of the following correspondence:

H. B. M. Consulate-General,
Canton.

The undersigned Consular Representatives at Canton of the Allied Treaty Powers present their compliments to the Southern Government established at Canton and have the honour to hand to it copy and translation of a telegram which has been received through His Britannic Majesty's Minister, and which is signed by him as also by the Diplomatic Representatives of Belgium, France, Italy, Japan, Portugal, Russia and the United States of America.

Canton,
January 16th, 1919.

Signed J. W. Jamieson,
H.B.M. Consul-General.
Sd. J.Beauvais,
Consul-General de France.

Sd. Albert W.Pontius
" Z. Fugamulli
Consul-General for Italy.
" K. Ohta
" A.Ostroverkhow
Russian Consul-General.

Peking Government have formally applied for release of present Customs Surplus not to exceed twelve million dollars to be applied as follows:

Payment of principal of 4th year internal loan, three million dollars.
Diplomatic expenses abroad, one million eight hundred thousand dollars.
First instalment of conservancy expenditure in Kuangtung, one million dollars.
Loan to silk filatures at Shanghai one million taels.
Remainder for removal of troops from the front and arrears of pay.

In view of the fact that hostilities have ceased on both sides, Allied Ministers feel that they can no longer object to release of these funds. They have therefore informed Wai Chiao Pu that funds will be released on January 25th unless conference for national reunion which has long been delayed and which is about to meet shortly shall before that date come to an understanding to indicate a different disposal of the above funds in general national interests.

(sd) Daniele Vare.
J.N.Jordon.
Paul Reinsch
Paul May.
A. Boppe.
N. Koudacheff.
Almeida Brandao.
Y. Obata.

Peking, 27th June 1919.

Dear Dr. Liu:-

I am sorry I was out when you called this morning. The pro rata of the 1/10th which I mentioned the other day was based on the 1918 figures for the Treaty Ports in the Canton Province, namely, Swatow, Canton, Kowloon, Lappa, Kongmoon, and Samshui.

If all the Treaty ports on the South Western provinces which for the moent do no recognize the Central Government are included, namely, in addition to those enumerated above, the ports Wuchow, Nanning, Kiungchow, Pakhoi, Lungchow, Mengtsze, Szemao, and Tongyueh, the pro rata share on the 1918 figures comes to 13.69386%.

If Canton now gets five lacs of the release under consideration, you will receive more than this percentage of the whole amount available for release.

Yours sincerely,
(signed) F.A.Aglen.

H.E.Dr.Liu Yuk Ling.

Canton, July 1st, 1919.

Sir:-

Having been informed from reliable sources that Five Hundred Thousand Taels (Tls 500,000) of the Custom Surplus has been alloted for the use of the Military Government, I request that when this money is available, it be paid to me as Minister for Finance.

An assurance that you will comply with this request is greatly desired.

I am,

Yours respectfully,

(sd) Wu Ting Fang
Minister of Foreign Affairs and Minister of Finanace.

A. Wilson, Esquire,
Acting Commissioner.

Chinese Maritime Customs.

Canton, July 3, 1919.

Agent,
Hongkong & Shanghai Banking Corporation,
Shameen.

Dear Sir:-

Will you please receive from the Inspector General of Chinese Maritime Customs at Peking or through the Commissioner of Customs at Canton the sume of Haikwan Taels five hundred thousand (H.K.Tls 500,000) and put the same to my special current account as Minister of Finance and send me the Pass Book and Cheque book and Oblige,

Yours truly,
Sd/ Wu Ting-fang.

Canton, September 19, 1919.

Sir:-

I have to acknowledge receipt of your letter of 18th inst., informing me that you have received a despatch from the Inspector General of Customs notifying you that arrangements have been made with the Shanghai Commissioner to remit to the Hongkong and Shanghai Bank at Canton to my order, as Finance Minister of the Military Government, the equivalent of Shanghai Tabls 442,510 representing the Southern Government's pro rata share of a further release of Surplus Revenue Funds, and that you are now in receipt of a letter from the local Agent of the Hongkong and Shanghai Bank in which he notifies you that the above mentioned sum, equivalent in local currency to Hongkong Dollars 670,469.69 has been duly received by his bank and paid in to my order.

The local Agant of the Hongkong and Shanghai Bank has informed me that he has received the above mentioned sum and paid it to my account as Finance Minister of the Military Government.

I, accordingly, forward my formal receipt forthe aforementioned sum and affix my seal and signature to the pro forma receipt in duplicate enclosed herewith.

I have the honour to be,

Sir,

Your obedient servant,

(sd) Wu Ting - fang,
Minister of Finance.

A. Wilson, Esquire,
Acting Commissioner of Customs.

It will be noted that in this correspondence Dr. Wu received funds as the Minister of Finance of the Military Government. Furthermore it will be noted that these funds were paid to him at his own request made in writing as Minister of Finance. It should here be pointed out that Dr. Wu never consulted with the Administrative

Council as to who should receive the funds and in what manner. He did not even notify the other directors of the correspondence with the Customs and other authoritives on the subject. This correspondence was found scattered about the various desks and drawers of Dr. Wu's office after Mr. Wen Tsung Yao began his search. With the usual lack of system, nobody in the government at that time questioned Dr. Wu's actions. So long as he provided funds what else mattered? Only after Dr. Wu retired did the directors realize how lax they had been.

The following is a statement of funds received by the Military Government from the Customs Surplus:-

Customs Revenue Surplus: pro rata:

release of, to Southern Government.

- -

Paid into the Hongkong and Shanghai Banking Corporation, Shameen, to the credit and order of Dr. Wu T'ing-fang, Minister of Finance of the Military Government:

	Hkg. $
8th July 1919:	848,761.90
18th September 1919:	670,469.69
23d October 1919:	779,846.15
25th November 1919:	716,615.37
Total:	Hkg. $3,015,693.11

Paid into the Hongkong and Shanghai Banking Corporation, Shanghai, to the credit and order of Dr. Wu Ting-fang, Minister of Finance of the Military Government:-

	Sh.Tls.
6th January 1920:	575,400.00
18th March 1920:	548,000.00
Total:	Sh.Tls.1,123,400.00

(sd) A.W.

The payment of Customs Surplus as to the Military Government should be continued. From the legal standpoint the Military Government is the de facto government in the provinces in which its troops are in control. Whether such a situation is moral or not is a fundamental question which requires a fundamental change of political conditions in China, with which this report is not concerned. As long as Peking is recognized, it is advantageous to recognize some authority in those provinces which do not adhere to the Peking Government. As long as Peking is provided with funds from the Customs Suppluses, this government should be provided with funds. It may appear that this statement is fallacious on the ground that such payments encourage fighting. This view is entirely incorrect. There is only fighting when there is no money, for the military leaders fight each other only for spoils and not for principles. When the treasury is full and the soldiers are paid there is little need to fight for spoils. Tsen Chun Hsuan told me that it is impossible to fight to a finish because as soon as an expedition comes to a place where the plunder is good and the community allows itself, or cannot resists, to be taxed, the army will not advance any further. The best way therefore to maintain peace, such as there is in the Civil War, is to keep the armies bribed. This may be an immoral doctrine, but it is exactly what the payment of Customs Surpluses has accomplished.

To whom shall the surpluses be paid? Notwithstanding the fact that the only outstanding figure of the anti-Peking group who still maintains principles of constitutionality is Tang Shao Yi, his adherence to a group in Shanghai would not constitute that group a government. Wu Ting Fang represents nobody, but himself, his son, C.T.Wang, Eugene Chen and the Shanghai Gazette and Canton Times. This is exactly all. Sun Yat Sen represents nobody. Tang Shao Yi has tremendous influence, but he can force nobody to make war or peace. Tang Chih Yao represents the Province of Yunnan and possesses genuine power, but he is the only one of the Shanghai group that has power and strength for order or disorder.

On the other hand, Lu Yung Ting, has in his power peace or war, order or disorder in Kwangsi and Kwangtung. The Tuchun of Kweichow is in a similar position. Admiral Lin of the Independent Navy can encourage or eradicate piracy. Similarly the Chekiang Army can destroy all vestige of authority in Fukien. In the attached list of Kwantung Troops it will be seen that the Military Government, whether constitutional or unconstitutional, whether it has usurped power of has rightly been elevated to it, whether it conforms with the ideals of the well-wishers of China or not, has power for good or evil and that it is not to the interest of the foreigners in control of the Customs Surplus to force this power to seek unusual means for the obtaining of funds to maintain itself. (However, in my discussion of peace tendencies below I point out that this government is anxious to put an end to Civil War). It is therefore, I believe, advisable to continue payments to them of the Customs Surplus either on the basis that as a de facto government they are entitled to the Customs Surpluses covering their districts in accordance with the above letter from the Inspector General of Customs, or as a bribe to them to prevent further fighting and as an encouragment to them to seek peace on an honorable basis.

But should the Customs Surpluses not be paid to them, what would happen? Should they be paid to the Shanghai Group it would mean two things: (1) Tang Chih Yao would attack Kwangsi which would start fighting in Kwangsi, Kwangtung and Szechuan. The outcome of this war, I am not competent to discuss. (2) Sun Yat Sen would reorganize his new Defunct People's Army and would begin all over again a war against the Military Government supported by Little Hsu and Tuan Chih Jui. Dr. Sun Yat Sen has told me often that his ambition was to destroy by arms the Kwangsi element in the south. He told that to Mr. Popoff the Bolshevik representative to China. He asked the Bolshevik whether Moscow could assist him in these operations. Mr. Popoff asked him why he did not attack Little Hsu and Tuan Chih Jui, the Japanese elements, first, Dr. Sun replied that he must before all else clean the South of militarist elements. Afterwards he would handle the North. Mr. Popoff asked him whether it would not be possible that the Anfu Group would use him and then destroy him as he helped them destroy the South. He replied that they could not do that because his power was greater than theirs. He later told Mr. Frasier Hunt, I believe, that one of his soldiers could meet two foreign troops and ten of the troops of any other general. Dr. Sun is obssessed with the idea of fighting, of winning power by military force. He is opposed to every effort toward peace and his representative in the Internal Peace Conference, Mr. Hu Han Ming, was the first to withdraw, which considerably weakened Tang Shao Yi because it indicated a lack of support behind the chief delegate. The payment of any funds to a group in which he is active means only more fighting in China - with a purpose far from the realistic needs of the country.

On the other hand, the Military Government will be with scant funds. First of all they will attempt to seize the Customs as they seized the Salt, which will seriously complicate the entire situation. Secondly they will not pay their troops which will lead to fighting and looting. I am not at all certain that they will not purposely withold funds from the troops to achieve this purpose just as Peking foments mutinies to frighten the Legations. Then if they become

desperate they will have to turn to Japan for assistance on the basis of concessions. Up to now the Southern group have not given away a single concession and have not made an important loan from any foreign group based upon a concession of vital resource of the nation. They may come. It is absolutely necessary to avoid such a contingency and it is therefore suggested that the Surpluses be paid to the Military Government for the present.

MILITARY GOVERNMENT:

The Administrative Council of the Military Government now consists of Tsen Shun Hsuan, Lu Yung Ting, the Tuchun of Kweichow, Admiral Lin, Wen Tsung Yao and Tang Chih Yao, Hsuing Ke Woo, Tuchun of Szechuan, Tang Chih Yao has probably resigned although that is not altogether certain. The Tuchun of Kweichow and Mr. Wen Tsung Yao were elected to take the places of Wu Ting Fang and Tang Shao Yi. Sun Yat Sen resigned on September 9, 1919, and although his resignation has never been formally accepted his name has not appeared on formal despatches for some time. Tang Shao Yi always declined to serve. He sent his father-in-law to act as Minister of Finance for a while but this proved a failure and he appointed a Salt Commissioner for Kwantung, who defaulted. Outside of these two unfortunate experiences he has had no administrative relations with the Military Government.

Wen Tsung Yao is now Minister of Foreign Affairs which makes for a speedier peace in view of his close relations with Li Shun. As a matter of fact he has no resigned his post of Co-Director of the Port of Pukow, the other director being Li Shun. His peace program is herewith attached.

The Minister of Finance is Dr. Chen Chun Tao, who has been Minister of Finance in the Peking Government and who received his appointment while in Peking. Nobody has ever questioned the integrity of Dr. Chen and his appointment in any government would strengthen it.

Notwithstanding all reports to the contrary Admiral Lin and the entire Independent Navy is loyal to the Military Government. Admiral Lin gave me a list of the navy which is herewith attached.

PEACE.

The attached peace Program has been adopted by Wen Tsung Yao as his program. It has been approved in principle by Tsen Chun Hsuan. It has been laid before the other Directors. If it meets with general approval it will be placed before Li Shun who will communicate it to the League of Tuchuns and the President. In general it embodies principles already agreed upon by most of the above-mentioned persons but it has some specific suggestions as to methods which are entirely original.

There is not the slightest doubt that the Military Government is in communication with Li Shun and President Hsu Hsih Chang. Tsen Chun Hsuan, Wen Tsung Yao and Tuchun told me so. Their discussions deal mainly at present with co-operation between the Military Government and the League of Tuchuns against the Tuan-Little Hsu-Anfu Group. When an absolute alliance is consummated between the League of Tuchuns and the Military Government, the Civil War will move from the South to the Yangtze, that is to Central China, with Nanking as the base for one group and Mongolia as the base for the other. The League of Tuchuns can count on Manchuria, Chihli, Shantung, Kiangsu, Kiangsi, Honan, Hupeh, the South-controlled and Chihli-controlled parts of Hunan, the South-controlled part of Szechuan, the South-controlled part of Fukien, Kwangtung and Kwangsi. The Anfu Group can depend upon the Northwestern Frontier Defense Amy of Little Hsu , upon Tuan Chih Jui's forces, upon Anhui, Hunan, Chekiang and Fukien and probably whatever there is to depend on in Mongolia and Turkestan. In addition it will have the very valuable support of Japan. However, the Anfu Group will in a measure be strengthened by Sun Yat Sen's influence in the Shanghai Group now organizing, for

Sun Yat Sen will join with the Anfu group in such a contingency as his support of Tuchun Lu Yung Hsiang of Chekiang indicates. The position of Yunnan is still doubtful and depends upon the strength of Yunnan forces in Szechuan. Should Yunnan attack Szechuan, it will have Kwangsi in its rear.

But the difference between the groups lies in the fact that the League of Tuchuns-Military Government group seeks peace and not war, while the Anfu Group may be willing to test their strength to a finish. Furthermore the first group has the vascillating Li Shun as its leader, while the latter group has the brilliant and daring Little Hsu.

Should this division not lead to war, the Military Government is ready to make peace at any time adopting as the primary issue of the peace program, Tang Shao Yi's demand that the treaties with Japan shall be published. On all other questions there is already agreemtn. Both Parliaments are to be dissolved and a new election ordered. The provisional or another constitution is to be adopted. Temporarily there will be a government, not based upon any constitution which will act until the constitution is adopted. Hsu Hsish Chang remains President and a coalition Cabinet is formed representing the League of Tuchuns and the Military Government. Tuan Chih Jui must retire from public life and Ching Yung Peng remains premier The Consortium is to be accepted and the troops disbanded.

The South is weary of war and most of the leaders want peace as soon as possible. They probably would have sacrificed Tang Shao Yi's term but they realize that it is safer for them not to do it, because they fear that the North has hypothecated some of the rights of the Southern provinces secretly. They want to know particularly the nature of the iron agreement, which they fear involves them. The South has no copies of any treaties although they have often asked for them. Tsen Chun Hsuan said that he believes neither the President nor Li Shun knows what the contents of all the agreements are. Chin Yung Peng knows only such agreements as he has signed.

In addition to the documents already mentioned I am herewith appending a list of the Kwantung Troops as well as some of the Military uses:-

Frontier	Kwantung, Kiangsi, Hunan - General Shen Hung Ying	25,000
"	Hunan - General Ma Gee	10,000
"	Kwangtung & Kwangsi - General Lin Fu	25,000
"	Hai Nan - General Li Kan Yuan	15,000
"	Weichow - General Liu Da Ching	5,500
"	Swatow - General Liu Gee Lu	8,000
"	Lenchow - General Liu Jin Ting	5,000
"	Fukien & Kwantung - General Liu Kung Wang.	7,000
"	Canton,	
	General Ngai Bong Ping	5,000
	" Moh Jin Chung	5,500
	" Hsin Pao Fan	8,000
	TucHun's Body guard	3,000
"	Kaochow and Luchow - General Chin Chun-pei	10,000

On January 19, 1920, Three Hundred Thousand Dollars were loaned to the Futien Bank in Hongkong at the request of Tang Chi-yao. This is aYunnan Provincial Bank, whose head office is at Yunnan fu. This money was found to be used in encouraging the recent troubles in Canton Province. Of this money, $100,000 were paid to General Chen Chiungming in Changchow (Fukien) and $200,000 were paid to General Li Lieh-chun.

SOME MILITARY EXPENSES OUT OF CUSTOMS SURPLUS FUNDS.

Hunan $210,000.

Shensi	$160,000	
Li Lieh-chun	$60,000	
Wu Pei Fu	$600,000x	

xUnder no circumstances to be divulged.

The following sums have been paid out of the Customs Surplus:-

July 18, 1919,	$50,000.00	used in paying old debts.
July 18, 1919,	$10,000.00	used in pay for a bronze statue for the late Admiral Cheng.
July 21, 1919,	$50,000.00	used in repaying a loan to the Industrial Bank.
July 21, 1919,	$10,000.00	used in paying old debts.
July 26, 1919,	$60,000.00	paid to Parliament to enable its members in committee to draw a Permanent Constitution to take the place of the Provisional Constitution.
July 29, 1919,	$300,000.00	lent to the Bank of China to enable it to honor its own notes.
Sept. 11, 1919,	$50,000.00	advanced to Parliament.
Oct. 30,1919,	$6,500.00	contributed to the Shanghai Gazette and thereafter $3,000.00 are contributed every month.
Nov. 16, 1919,	$58,054.20	paid to the Board of Communication.
Nov. 28, 1919,	$130,000.00	paid to Parliament on account of the Permanent Constitution.
Dec. 4, 1919,	$60,000.00	contributed to the Canton River Conservancy Work. And since then a further contribution of $30,000.00 every month.
Dec. 13, 1919,	$130,000.00	paid to Parliament on account of the Permanent Constitution.
Dec. 23, 1919,	£1,000.00	paid to Eugene Chen.
Dec. 27, 1919,	$58,524.30	paid to the Board of Communication.
Dec. 31, 1919,	$20,000.00	paid to the Military College at Shaokwan to help the expenses of the students from Shensi Province.
Jan. 5, 1920,	$130,000.00	paid to Parliament on account of the Constitution.
Feb. 4, 1920,	$6,000.00	paid to C. T. Wang.
Feb. 9, 1920,	$1,000.00	used for prison improvement.
Feb. 11, 1920,	$10,000.00	used in building the College of Agriculture.

The following sums have been passed by Administrative Directors in the Council Meetings but have not yet been paid:-

$1,000,000.00 for the organization of the Southern-western University. (It has also been passed that $800,000.00 should be paid out of the Customs Surplus every year as running expenses for this University).

$10,000.00, as a second instalment for building the College Agriculture.

The total amount paid out by Wu Ting-fang from the Customs Surplus Funds up to February 11th, 1920 is $2,436,035.13 Hongkong Currency.

D.T.Wang spent Francs 96,034.00.
Quo Tai-chi spent $7,519.09 (Gold equivalent to $10,878 Mex.)
Wu Chao-chu spent $41,851.88.

Not from Customs' Surplus.
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Parliament's Salary - $170,000.00 per month from Salt Gabelle.
Payments to Parliament $4,240,000.00.

Comparative strength of the fleets between North and South:-

The Southern Fleet consists of the following vessels:-

Haichi	4300 tons)	
Haishen	2950 tons)	
Chacho	2600 ")	
Fee-an	1700 ")	
Fei-ying	850 ")	---- 15,710 tons.
Yung-feng	780 ")	
Yung-hsiang	780 ")	
Cho-yi	750 ")	
Tung-an	400 ")	
Yuchang	400 ")	
Woofeng	200 ")	

(all the above-mentioned vessels are seagoing).

The Northern Fleet consists of the following vessels:-

Haiyung	780 tons)	
Haichou	2950 ")	
Ying-jui	2600 ")	
Tung-chi, a training ship		
Yung-chi	780 tons)	
Yung-chien	780 ")	
Chien-kang	400 ")	--- 14,410 tons not including
Lien-ching	200 ")	the training-ship "Tung-chi".
Cho-ting	750 ")	
Cho-yu	750 ")	
Cho-tai	750 ")	
Cho-chien	750 ")	
Cho-kwan	750 ")	

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MEMORANDUM ON INTERNAL PEACE

Discussed by Military Government.

No matter what arrangement is made between Northern and Southern leaders with regard to internal peace, the public will never tolerate any Government which does not cancel the Military Pacts made between China and Japan in 1918, 1919, and 1920. The Military Government cannot accept the statement of the Peking Government alone with regard to the cancellation of these agreements, since they are bi-lateral and the consent of both parties to the agreements must be obtained before cancellation is genuine. It is possible that Peking will consent to the cancellation of the original pact, but this would be insufficient, since there have undoubtedly been many amendments and additions and new arrangements made under the general heading of Sino-Japanese participation in the defense of China's frontiers. It is therefore necessary that before agreeing to peace, the Southwestern Government shall not only be fully apprised of the contents of all these arrangements, but shall actually have copies in their possession. And it should be stipulated that there are no documents withheld from the Military Government.

This is not only necessary as a patriotic measure but also to safeguard the personal reputations of the Directors, now functioning in the Southwestern Government. For the public will hold them up to censure unless they do conform to the popular demand that these treaties be published and the radicals will have an opportunity to consolidate their power behind the patriotic insistence that the Military Government is selling out to Japan. This must be avoided at all costs.

With regard to the means for peace, I believe that internal peace

in China can be made permanent only by entirely ignoring the history of China since 1911. Compromises based upon the existence of two Parliaments, the existence of two Cabinets, and the activities of the Peking Government during the lapse of authority of the Constitution will only lead to a renewed effort of the Constitutional Irreconcilables to strife. What is absolutely necessary now is quick and radical action based upon a desire to save the country. The weakness in the Mintang Group is that they are serving an idol, the Constitution, without due regard for the realities of the situation. It is, therefore, held that it would be unwise to form a joint-parliament, since such a body lacks public support and does not have sanction either in tradition, law or the will of the people. It is a makeshift which is bound to fail, since the Parliamentarians look upon their offices as a vested right and have no desire to test their popularity by a general election. Nor is it wise to continue Governments without parliaments, since the public is fast being educated to the true spirit of democracy and their demand for democratic institutions will continue from year to year to increase. The student movement as a factor in this situation is not to be ignored, and any plan for the unification of China must take into account the democratic elements which have come into existence during the past two years.

It is therefore suggested that the following procedure be adopted as a speedy and permanent method for the unification of the country:-

1. The Peking and Military Governments shall jointly issue a Book containing all the treaties, agreements, notes and memoranda between Peking and all Foreign Powers exchanged and agreed to during the course of the European War. The Peking and the Military Governmentsshall stipulate that these are the only documents binding on China to thebest knowledge of either governments and both, and that both of them bind themselves in the case of internal peace not to declare as effective any documents withheld from this public statement.

2. The Peking and Military Governments shall recognize Hsu Shih-Chang as President of China and shall regard his election as legal. His term of office however shall terminate one year and a half from the signing of the agreement of internal peace, but he may be re-elected in accordance with the provisions of the Constitution discussed hereinafter.

3. The management of the affairs of China, both for the provinces which now recognize Peking and those recognizing the Military Government, shall be vested in a Provisional Cabinet which shall be appointed by the President and approved by both the old and the Peking Parliaments This Cabinet shall exist for one year and a half and shall have the power to choose its successors during that period, with the consent of the President.

4. Immediately upon the ratification of the Cabinet, both the Old and Peking Parliaments become non-existent and all legislative power is vested in the Cabinet for one year and a half from the date of such ratification.

5. Immediately upon the ratification of the Cabinet, elections shall be held in all Provinces for Provincial Assemblies. Elections shall be conducted in each Province under the auspices of Election Commissioners appointed by the Cabinet. No man can serve as an election commissioner in the province of his nativity or in any Province in which he has held public office during the years of the Republic. Nor shall any man be an election commissioner in a Province in which any relation of his or of his wife holds office of high rank. It shall be an offense punishable by immediate dismissal for military or civil officials to coerce, force or dissuade persons in the exercise of the franchise. The Provincial Elections shall be held in accordance with the traditions and laws of each particular Province. The Election Commissioners shall be a Board of Appeal to determine fraud in the elections. The Headquarters of the Board shall be neither Peking nor Canton nor in the Provinces of Chihli or Kwangtung.

6. Within six months after the ratification of the Cabinet by both Parliaments, the Provincial Assemblies, newly elected, shall have met and shall have selected by ballot five representatives from each province who shall be delegates to the Constitutent Assembly.

7. The Constituent Assembly shall meet not later than eight months after the ratification of the Cabinet and if possible sooner. It shall meet neither in Peking nor Canton nor in the capital city of any province. It shall within six months from the first day of meeting draft a Constitution for the Republic of China. The Constituent Assembly may recognize the provisional Constitution as the basis for their discussions, but they shall not be obliged to do so. All determinations shall be reached by a majority vote of the representatives present. Three-quarters of the representatives elected shall constitute a quorum. Should the delegates fail to reach a decision within six months they may continue to meet only with the consent of the Provincial Assemblies. Should they fail to reach a decision within six monthsand they resume meetings after this time, six additional months shall be grated to the life of the Cabinet.

8. When the Constituent Assembly shall have drafted the Constitution that document shall be transmitted to the Provincial Assemblies and shall be widely published throughout the land. To insure against illiteracy is shall be obligatory for the Constitution to be read aloud in all Courthouses, Market places, Temples and other places where large masses congregate. The Constitution shall then be placed before the Provincial Assemblies for ratification. As soon as three-fourths of the Provincial Assemblies have ratified the Constitution, it shall be declared binding upon the land and an election for Members of Parliament shall be ordered by the Cabinet in accordance with the Provisions of the Constitution. Immediately after the opening session of Parliament the President and his Cabinet shall resign, but to hold office until their successors are chosen in accordance with the Constitution.

9. The Cabinet may not during the year and a half of its existence make treaties, loans, agreements, or any other arrangements in which the territory, integrity, or rights of the Republic of China are hypothecated. Nor may they negotiate and conclude loans with any one nation. All loans must come from a Consortium of several nations. As soon as the Peking and Military Governments conclude peace a notice to this effect shall be submitted to the Diplomatic Corps at Peking and they shall be requested to transmit the same to their Governments and Bankers. It shall be understood that all loans and treaties made not in accordance with this proviso shall be subject to repudiation and shall be made at the risk of the foreign nation.

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The following statement has been prepared by Wen Tsung Yao, Minister of Foreign Affairs, Military Government of China, shortly to be issued:-

In 1911 the Chinese Government negotiated and concluded the Hukwang Gold Loan with four,powers, The United States, Great Britain, France and Germany. This loan was for £6,000,000 and bearer bonds were issued bearing interest at 5% per annum. The first instalment of the principal is to be paid off in 1922.

Since China entered the late war the Peking Government has taken the attitude that the bearer bonds representing the German share of this loan are not to be honoured unless the holder can prove that the bonds are not now German property or were not purchased from Germans since China became belligerent. This position is untenable since the interest on bearer bonds should be paid to the holder of the bond and it is necessary for the government to prove that the holder is not entitled to payment. These bonds have been transferred from one nation to another in the course of years. They have been used as is customary in financial transactions, and today some of the German bonds are held by Americans, Britishers, and Frenchmen. It would cost more than the bonds are worth for each individual to prove his right to the bond. Furthermore, this action is not in accordance with international procedure and because of

it the Hukwang Bonds are selling at fifty percent of par on the New York and London Exchanges. It is reported that these bonds will be withdrawn from European and American exchanges. Such an action is equivalent to a boycott of the bonds and it detrimentally affects China's financial integrity.

China has never before defaulted on a loan. China must not default. In spite of the fact that we consider all of the loans made with Japan by Tuan Chi-jui illegal, and although we insist that all secret treaties and agreements should be published, we also maintain that all debts shall be paid. China is an honorable nation and its solvency must not be questioned. It is enough that we have been shamed by treason at home without being shamed by involvency abroad.

Number of copies: 3

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OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.

1920 2657-J-145 OCT 8

WAR DEPARTMENT

SUBJECT: ESTIMATE OF THE POLITICAL SITUATION

From: M.A.

No. 2608. Date: July 29, 1920., 19

Replying to No. Date: , 19

Binding Margin.

Old Political Grouping

Roughly speaking, on July 1st, 1920, China proper may have been considered as divided into four Political groups - Two in North and two in South China. The North divided between the League of Tuchuns and the Anfu Party - the South divided between the Military Government at Canton, and the faction at Yunnan Fu under the protection of Tang Chi Yao, and organised by Sun Yat Sen, Wu Ting Fang and Tang Shao Yi.

Negotations have been under way for over two years to reach an agreement between the North and South. During the entire negotations the failure to reach an agreement has been the refusal of the North to concede to the demand of the South, that the former War Participation Bureau or what is now called the Frontier Defense Bureau be abolished and that the Troops of the Frontier Defense be demobilized.

In the North the factions that refused compliance with this demand was the Anfu or Anhwei Party. Certain of the former Chihli and Fengtien leaders were agreed in principle to the demand, and this difference of policy finally resulted in bringing about a split in the North.

The members in favor of the abolishment of the Frontier Defense Bureau finally leagued together and became what is now termed the League of Tuchuns.

The only faction in the North opposing the abolishment of the Frontier Defense Bureau was the Anfu Club, through whose influence the Chinese-Japanese Military Agreement was made and the 30,000,000 Yen loan for the organization of the War Participation Bureau was contracted.

It was obvious that Marshal Tuan Chi Jui and General Hsu Shu Tseng backed by the Anfu Club would resist to the last, the abolishment of an organization for which they themselves were responsible.

In the/

In the South the faction headed by Sun Yat Sen has long resented the control exercised by the Militarists of the South and as a last resort broke away from the Canton Government and were negotiating with the Tuan Chi Jui faction in the North. Sun Yat Sen himself, personally believed that Tuan could be weaned away from Japanese influence and that the Northern Militarists were better able to organize a proper government for China than the Southerners.

The fighting during July between the troops of the League of Tuchuns and Marshal Tuan's troops known as the Anfu Troops, resulted in a complete overthrow of the Anfu forces. In the political reorganization now taking place, the Anfu Club (as such) will be completely eliminated from any influence whatever over Chinese politics.

The overthrow of the Anfu Club in the North necessarily implies loss of influence of the Sun Yat Sen, Wu Ting Fang, Tang Chi Yao factions in the South. General Tang Chi Yao the Tuchun of Yunnan Province, has never come out openly and opposed the League of Tuchuns and his agents, and the agents of the League are now negotiating for some compromise.

Recent Political Readjustment

The result politically, is that only two Chief Political Parties remain in China. The League of Tuchuns (including the old Chihli Faction and the Fengtien Faction) in the North and the Canton Military Government with Tsen Chun Hsuan and Lu Ying Ting in control in the South.

It is important to note that before the recent fighting, the League of Tuchuns and the Canton Government had reached an agreement to pool their forces if necessary in order to break the hold of the Anfu Party.

Hence the immediate result of the success of the Troops of the League, is that the President issued Mandates removing Marshal Tuan Chi Jui and General Hsu Shu Tseng, from all control over the Frontier Defense Troops, bringing these troops under the Ministry of War and abolishing the Frontier Defense Bureau. This Mandate was followed by Mandates relieving the three Anfu members of the Cabinet and ordering the arrest of the Chief heads of the Anfu Club.

It will be seen that these mandates remove the Chief stumbling block in the negotiations for peace between the North and South.

The political out-look in that respect is bright. The instrument through which the Japanese exercised so much control over Chinese politics has been destroyed.

A colation/

A coalition Cabinet is now probable, as well as a new Parliament representing the South as well as the North. The result will undoubtedly be the removal of Wang Yi Tang the Anfu head of the Northern Peace Mission at Shanghai, by the appointment of a representative of the League of Tuchuns who will negotiate directly with Wen Tsung Yao, the Minister of Foreign Affairs of the Canton Government, or his personal representative.

Consortium

The Ministry of Finance is already negotiating for a loan from the New Consortium for the disbandment of the troops of the Northwest Frontier Defense Bureau. This seems an opportune time to permit the functioning of this very important organization.

Foreigners in China believe that the Consortium, either with or without the Japanese Banking Group will be one of the most powerful weapons to protect China from Japan, as it will tend to make it more difficult for the Japanese to make Political loans that bring with them special concessions and privileges to the Japanese. The formation of the New Consortium will be one of the most important diplomatic and political measures undertaken in recent years.

Mongolia

Recent reports from Mongolia indicate dissatisfaction with the Administration of General Hsu Shu Tseng, heretofore the Administrator of the Northwest Frontier Defense Bureau. The 3rd Mixed Brigade was moved to Urga, Kiahtka, Uliassutai during the fall and winter of 1919 and spring of 1920.

These troops are poorly disciplined and several months in arrears of pay, and constant complaints are made by foreigners as well as Mongolians as to the high handed procedure of the Chinese troops there.

The Mongolians state that they are willing to accept Chinese suzerainty but would prefer to do without the protection? of Chinese troops. It is quite possible that the 3rd Mixed Brigade will be demobilized. Reports are reaching Peking now that the soldiers at Urga are deserting and mutining as a result of the failure to receive pay and the reaction from the defeat of Anfu troops near Peking.

Siberia and Manchuria

Telegrams received from Mr. Stevens, the Chairman to the Technical Board of the Inter-Allies Railway Commission, state that the Japanese have requisitioned 2000 freight and 500 passenger cars to be sent to Chita for the purpose of evacuating Japanese troops from the Zai-Baikal.

This was/

This was followed by official statements of the Japanese Prime Minister that the Japanese troops were to be removed from the Zai-Baikal.

Recent telegrams, however, indicate that the Japanese Military with the approval of the Shogun, Yamagata, refuse to be guided in their policy by the Japanese State Department and that preparations are now being made for further military operations.

Negotiations have been undertaken during the last month between the Japanese and the so-called Verkhne-Udinsk Government with a view to evacuation of Japanese troops and the unification of the Verkhne-Udinsk Government, the Semenoff Government and the Vladivostok Provisional Governments.

The stumbling block seems to be the Japanese demands, refusing Russians to organize armed forces and their insistence on placing the Government under some extreme reactionary (such as Semenoff) under Japanese influence.

In case these negotiations fail, it is entirely probable that military operations will be renewed and that such operations will be on a larger scale than heretofore.

The Soviets are reported to have an army of between 180,000 and 200,000 well equipped and well disciplined troops near Irkutsk and Verkhne-Udinsk. These troops have had experience in fighting and are now unquestionably supported by the public opinion of Siberia.

The reaction in Siberia from the Japanese occupancy of Eastern Siberia has been to unify the Siberians against the Japanese.

In case fighting between the Soviet troops proper and the Japanese troops should commence, it is probable that several hundred thousand troops would be used by the Soviets which would compel the Japanese to send a large expeditionary force to Siberia.

The reaction in European Russia of such a move on the part of the Japanese is problematical but would undoubtedly result in bringing European Russia as a unit against the Japanese, just as the Polish offensive has resulted in unifying European Russia against the Poles.

In case military operation on such a scale start, there is no question but that the Japanese would immediately take over the operation of the Chinese Eastern Railway as a protection to their own operations.

Public opinion in China and Korea would be in sympathy with the Russians, and competent observers here believe that the Japanese would have a real war on their hands that would need the national resources of the Imperial Government of Japan to bring to a successful issue.

Bolshevism

Such well known authorities on China as Sir John Jordon, recent British Minister to China, Paul S. Reinsch, late American Minister to China, Mr. Donald, former editor of the Far Eastern Review, Mr. Morgan Palmer, Inspector of the Chinese Salt Administration in Manchuria, and Mr. Rodney Gilbert - journalist and especialist on Mohammedism in China, all agree that Bolshevism as a political theory is practically unknown in China and that its spread in China to any marked degree is improbable.

These statement are made, knowing that a very large part of the people of China are poor farmers or coolies, living in abject poverty (from the American or European point of view) and whose wage is pitifully inadequate.

They base their opinions on the family and social organizations and customs and psychology of the Chinese people that make each community in China a self governing body with little or no interest in surrounding communities.

The difference in language and customs and methods of living seem to effectually protect the Chinese from the effects of Red Propogandists. There is no socialistic organization or socialist press through which the masses of the people can be reached by Bolshevist Propoganda. There is no medium of transmission by which such propoganda can reach or effect the people. When Red Propoganda reaches the Chinese it is certain that it has little or no effect.

Mr. Gilbert who travelled in Kansu and Shensi provinces, reports that in those districts there is no evidence whatever of Bolshevist Propoganda or thought. Mr. Gilbert frequently questioned people with whom he came in touch and reported that the people were entirely uneffected by Bolshevist theories, and know nothing whatever about the meaning of such a term.

This applies equally to Mongolia notwithstanding the fact that it borders for several thousand miles on Bolshevist Siberia.

Competent observers agree that there is no danger to China of Bolshevist Propoganda or Bolshevist troops penetrating China, even should commercial relations be resumed with Soviet Russia.

These observers state that the difficulty to resuming trade with Soviet Russia lies in the exchange rate of the Rouble. That at its present value the Siberians or Russians are unable to pay for such supplies as they may wish to purchase. This one consideration seems to be the only one which prevents Chinese merchants from carrying food and other supplies to Siberia.

Politically there seems no reason whatever why trade should not be resumed.

End.

Copies to:-
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1 - Naval Attache
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REC'D M.I.D., G.S. SEP 30 1920

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OCT 12

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2657-D-147

WAR DEPARTMENT

SUBJECT CHANGES IN POLITICAL MONOGRAPH - CHINA.

From M.A.

No. 2655. Date August 26, 1920., 19

Replying to No. Date, 19

REC'D M.I.D., G.S. OCT 12 1920

The following changes are suggested in the Political Monograph for China. These changes are necessary in order to bring the Monograph to date and include the numerous political changes which have been brought about by the over-throw of the Anfu Club, the removal of Japanese influence and numerous changes of the Cabinet and Government, and Provincial officials.

(41) Executive

China
Political

(Replace)

President Hsu Chih Chang was elected to the presidency of China by the combined efforts of the Chihli and Anhwei factions of the North. The former Minister of Communications, T'sao Yu Lin was particularly active in assisting in the election of President Hsu. Money derived from a Japanese Loan made by T'sao as Minister of Communications, was used in assisting in the election of President Hsu.

President Hsu while he was Governor General of Manchuria, necessarily had Japanese affiliations and friendships, but it is not believed that the President is pro-Japanese.

Although at one time Grand Guardian of the Emperor and a friend of the Manchu regime, the President is far too clever and intelligent to support a restoration of the Monarchy in China. The President realizes that any attempt to restore the Manchu regime would mean an immediate revolution and that such a restoration is now impossible.

Hsu is known to be personally popular with the military leaders and with the people generally, although he is said to be a man of no great ability or unusual talents. The people, however, generally seem to give him credit for honesty of purpose and open dealing.

A decidedly promising phase of the matter is his longstanding personal friendship with Tang Shai-yi, one of the important leaders of the South. Hsu and Tang served together in Manchuria and are said still to be the best of friends. They may possibly lead to a better understanding between the North and South.

Hsu/

Binding Margin.

(41) Executive
Cont'd.

China
Political

(Replace)

Hsu Chih Chang's biography follows:

Born in Province of Chihli. Probationary Grand Councillor June, 1905; Minister of Government Council, June, 1905. Grand Councillor, February to November, 1906. President of Board of Interior, December, 1906. Viceroy of Manchuria, April, 1907. President of Board of Communications, February, 1909. Grand Secretary, February, 1910. Grand Councillor, August, 1910. Appointed Vice-Premier in Prince Ching's Cabinet, in May, 1911. Removed from that post, and appointed Vice-President of the Privy Council on November 1, 1911. Chief of General Staff, November, 1911. High Commissioner for Training Imperial Guard, and Grand Guardian to the Emperor, December, 1911. Relieved of post on General Staff, February, 1912. On the resignation of the Prince Regent was appointed, with Shih Hsu, Grand Guardian of the Emperor. Secretary of State, 1915.

(42) Subordinates

China
Political

(Replace)

SHANTUNG OFFICIALS

Civil Governor:

CIVIL GOVERNOR CHU YING KWANG has been removed from his position as Civil Governor of Shantung. Military Governor T'ien is acting concurrently as Civil Governor.

(45) Councillors

China
Political.
(Replace)

NEW CABINET:

PRIME MINISTER .....Chin Yun Peng
(Northern Military Party)
MINISTER OF WAR .....Chin Yun Peng

" " FOREIGN AFFAIRS ..Dr. Yen Wei-ching
(Non Party)
" " NAVY .....Admiral Sah Cheng-Ping
(Non Party)
" " INTERIOR .....Chang Chih-tan
(Northern Military Party)
" " EDUCATION .....Fan Yuan-lien
(Chimputang Party)
" " JUSTICE .....Tung Kan
(Yen Chiu Party)
" " FINANCE .....Chow Tze-chi
(Old Communications clique)
" " COMMUNICATIONS ...Yeh Kung-tso
(Old Communications clique)
" " AGRICULTURE and COMMERCE - Wang Nai Ping
(Protege of Gen. Chang Tso-lin, Northern Militarist)

Note/

(43) Councillors
Cont'd

China
Political
(Replace)

NOTE: General Chin Yun Peng is a native of the Province of Shantung; was at one time Military Governor of Shantung Province, and is retained as Prime Minister and Minister of War. Is certainly desirous of reconciliation with the South.

Dr. Yen Wei-ching - Known to foreigners as Dr. W. W. Yen, is a native of the Province of Kiangsu; was Chinese Minister to Berlin at the time of China's entry into the War: was China's Minister to Switzerland and Denmark, and a capable diplomatic official.

Admiral Sah Cheng-Ping - Retains his position as Minister of the Navy; during the recent disturbances acted concurrently as Prime Minister.

Chang Chih-tan - The new Minister of Interior is a native of Chihli Province; has formerly held office as Vice Minister of Interior, of Finance and of War.

Mr. Fan Yuan-lien - The new Minister of Education is a native of Hunan Province: has been Minister of Education and Chief of the Board appointed by the Minister of Education to investigate educational affairs.

Tung Kan - The Minister of Justice is a native of Kiangsu Province: has been Chinese advisor of the Codification Commission and has been holding the post of Chief Justice of the Supreme Court.

Mr. Chow Tse-chi -- The new Minister of Finance is a native of Shantung Province: has been Military Governor of Shantung Province and Minister of Finance, and before the inauguration of the new Cabinet, was Director General of the Currency Bureau.

Mr. Yeh Kung-tao - The new Minister of Communications is a native of Kwangtung Province: has been Vice Minister of Communications and Special Delegate of Industrial Promotions; is known as a very intelligent and capable official.

General Wang Nai Ping - The new Minister of Agriculture and Commerce is a native of Fukien Province: has been Commander-in-Chief of the Fukien Forces for the suppression of brigandage, and Vice Governor of the Land Bureau. He is a favorite of General Chang Tso-lin.

(43) Councillors
Cont'd

China
Political
(Omit entire sheet)

Predicted Changes in Chinese Officials

(15) Unofficial

China
Political
(Replace)

UNOFFICIAL ADVISORS

1. Military Leaders: The most pronounced class of unofficial advisors in China who surround the President with their influences are the military leaders of the North, who jointly control some 500,000 of the Chinese army. Chief among these are:

General Chang Tso-lin. Inspector General of the three Manchurian Provinces.

General Tsao Kun. Military Governor of the Province of Chihli.

General Li Shun. Military Governor of the Province of Chekiang.

General Chang Ching Huei. Military Governor of Jehol.

General Wang Shih-chen.

General Wu Pei-fu. Commanding the 3rd Division of the National Army, the 1st, 2nd, 4th and 5th Chihli Mixed Brigades, and the 1st, 2nd and 3rd Reserve Brigades.

2. The following military leaders were removed from control and no longer exercise any influence:

General Tuan Chi-Kwei. Brother of the ex-Prime Minister.

General Nieh Tse-chung. Ex-Tuchun of Anhwei.

General Lung Chi-kwong.

Marshal Tuan Chi-jui. Ex-Premier, Secretary of War and military leader of long standing has been removed from all offices and is now virtually a prisoner of the Anti-Anfu forces.

The militarists who surround the President constitute a definite and formidable junta of power, and with the exception of General Wu Pei-fu, represent an element that are convinced that autocracy is the best of all Chinese governments for China, but equally willing to condone the fraud and speculation as well as the force of the old order.

General Wu Pei-fu stands for the best among the Chinese officials. He is a sincere patriot and an ardent supporter of the Student Movement, an advocate of a liberal government in China and an advocate of the removal of military control from Chinese Governmental organizations.

NOTE:

This is to replace 15 - Unofficial Military Leaders, and also 45 - Advisors, Military Leaders.

(48) Foreign

CHINA
Political.

INFLUENTIAL CITIZENS ABROAD

GREAT BRITAIN.

(Omit) Philip K. C. Tyan - 1st Secretary to Great Britain. Mr. Tyan is now on duty as Counsellor to the Foreign Office at Peking.

JAPAN

(Omit) Lu Chung-yu, Minister. Lu Chung-yu was permitted to resign as Minister to Japan due to demands of the Students in 1919.

GERMANY

(Omit) Remarks regarding Dr. W. W. Yen who has been appointed the Minister for Foreign Affairs in the present Cabinet.

UNITED STATES

(Omit) Dr. George E. Morrison - Political advisor to the President. Dr. Morrison died in London, England during the spring of 1920.

(Add) Bertram Lenox Simpson - Appointed advisor to the Foreign Office, Peking.

(Add) Sir John Jordan - Retired from the British Diplomatic Service in 1920 and has returned to London, England. Sir John is still in a position to advise the British Foreign Office and is certainly one of the best informed Britons regarding affairs in China and the Far East.

(50) "Ins"
(51) The Opposition

CHINA
Political.

(Add) The recent modification of the Government and the demobilization of the Frontier Defense troops removes the chief cause of opposition in the South to the Peking Government and improves the probability of the formation of a collation Cabinet which represents both North and South China. Such a change would remove the causes which would ultimately lead to a revolution.

Dr. Sun Yat-sen is again very active and is trying to consolidate his power within this city, leaving the others to activities outside of Shanghai. He has become friendly with important groups of students, merchants and laborers. At present his aim is to overthrow Li Shun and to establish a Municipal Government in some city between Shanghai and Nanking. His theory is that all efforts toward the revolutionizing of the whole of China have failed and they have failed because of the largeness of the country, the general ignorance that prevails and his own inexperience. He believes that at present an effort should be made to revolutionize each Hsien and that when each Hsien has been turned into a model Republic, to gain control of each of the provincial assemblies through delegates from each Hsien who shall be elected by the independent voters within the smaller unit. Finally the public bodies will elect a Constituent Assembly which will revise the old constituent or drew up an entirely new one.

Dr. Sun's plan finds enthusiastic support among many of those who are favorably inclined to Wu Pei-fu's idea of a Constituent Assembly, but who do not know a practical method for bringing such into existence without bringing it within control of the Tuchuns.

(17) Political
Cont'd.

China
Political.

(Omit) ADMIRAL SAH MAIN PREMIER OF CHINA.

(54) Military.

China
Political.

(Omit) ANFU CLUB.

Note: The Anfu Club has been abolished. Its leading members are now fugitives from justice - avoiding arrest that has been ordered by Presidential Mandate. All important members of the Club have been removed from office. The Club, as such, exercises no more political influence in China.

(54) Military

China
Political.

(Omit) NATIONAL DEFENSE BUREAU:

Note: The National Defense Bureau has been abolished by Presidential Mandate. The 1st and 3rd Divisions and 4th Mixed Brigades have been demobilized. The remaining troops of the Defense Bureau have been placed under the orders of the Ministry of War, but will probably be demobilized later.

(59) Foreign
Cont'd.

China
Political.
(Add)

JAPAN DIRECT NEGOTIATIONS WITH CHINA ON SHANTUNG - SUGGESTION BY JAPAN.

When the Japanese Minister, Mr. Obata, presented the formal note of the Japanese Government to Chen Loo the Acting Minister of Foreign Affairs, suggesting direct negotiation between Japan and China for the retrocession of the Shantung Railroad in Tsingtao. Reference was made to the advisability of organizing a police force for the Railroad, and that Japan was willing to withdraw her guards from the Railway Zone when other guards could be furnished.

Mr. Obata added verbally however, that whatever guards were prepared by the Chinese must be officered and trained by Japanese.

(59) Foreign
Cont'd.

China
Political.

Chinese Troop Movements to Outer-Mongolia.

Change 3rd Division in 6th and 10th lines to read 3rd Mixed Brigade.

(59) Foreign
Cont'd.

China
Political.
(Add)

MONGOLIA

General Hsu is a fugitive from Justice, and has taken refuge in the Japanese Legation at Peking.

A Presidential Mandate has been issued relieving Gen. Hsu as Administrator of the Northwestern Frontier Defense Bureau with control over Mongolia and Chen Yi has been appointed Chinese Commissioner to Mongolia.

The troops of the 3rd Mixed Brigade of the Frontier Defense forces are still in Mongolia but these troops have been brought under the control of the Ministry of War.

There are now between 5000 and 6000 Chinese troops of the 3rd Mixed Brigade distributed at Urga, Maimachen, Kiakhta and Uliassaitai.

(59) Foreign
Cont'd.

China
Political

OMIT - the sheet - Martial Law declared in Shantung

The declaration declaring Martial Law has been recinded

ADD There are no longer any open manifestations against the Japanese and no longer any publicity given to the Japanese Boycott. The Boycott continues effective however, not withstanding the pressure of the Japanese Legation that strict measures be taken to kill the Boycott.

(60) Domestic Policies,
Cont'd.

China
Political
(Replace)

The Chinese Internal Situation

In the North the Anfu Club has been destroyed, which leaves the League of Tuchuns in complete control. A new Cabinet under General Chin Yun Peng has been organized which is freerefrom Japanese influence than any Cabinet since the organization of the Republic.

The policies of the Cabinet are largely dictated by the Militarists, Chang tso-lin and Tsao Kun, but even so, its members are much more liberal and amenable to the wishes and interests of the Chinese people than any former Cabinet. The Cabinet is now basing its hopes on being able to make loans from the New Consortium instead of borrowing from the Japanese.

In the South, Tsen Chun Hsuan is Chairman of the Administrative Counsel of the Military Government, and General Lu Yung Ting, Tuchun of Kwangsi and Inspector of the Provinces of Kweichow, Kwangsi and Kwangtung, is in control of the Military forces and virtual dictator of the South. These men are Militarists of the old type who refuse to permit Civil Administration to function as an expression of the will of the people and who by their insistence on control in the Southern Government, compelled the withdrawal of Wu Ting Fang, Sun Yat Sen, Tang Shao Yi and other liberal leaders of the South from the Canton Government.

The Sun Yat Sen faction is now supporting General Tang Chi Yao the Military Governor of Yunnan Province.

The Sun Yat Sen Party also controls the Peoples Army now operating in the Province of Fukien.

Latest reports from Fukien indicate the success of the Peoples Army, which will mean the removal of the Anfu Tuchun of the Province, in favor of a Tuchun under the control of the Sun Yat Sen factions.

Sun Yat Sen's party is now reported to be planning to overthrow the President, Hsu Shih Chang.

Tan Yen-Kai the Southern leader whose troops are now in control of Hunan Province, is now reported to have made an alliance with Gen. Tang Chi Yao of Yunnan.

This, and the success in Fukien indicates a decided increase in power of the Sun Yat Sen party, and a consequent weakening of the Lu Yung Ting faction at Canton.

(60) Domestic Policies
Cont'd.

CHINA
Political.
(Omit)

Rumors of efforts to establish an Independent Government at Nanking.

(60) Domestic Policies
Cont'd.

CHINA
Political.
(Omit)

The Peiyang Military Split

(60) Domestic Policies
Cont'd.

CHINA
Political.
(Replace)

South China is Ready to Unite with Pekinese

The Canton Military Government has wired to the President their willingness to dissolve the Southern or Old Parliament, provided the Peking Parliament is also dissolved.

The Peking Government has dismissed Wang I. Tang as chief Northern Peace delegate. Wang I. Tang was a leading member of the Anfu Club and has now escaped to Japan..

General Li Hsun, Tuchun of Kiangsu, was appointed Chief Northern Peace delegate but reports received today announce his resignation. The reason is unknown. (August 26, 1920.)

Additional reports will be submitted suggesting changes for the remainder of the Monograph.

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2657-J-148

OCT 26

WAR DEPARTMENT

SUBJECT: FEUD BETWEEN CHIHLI AND ANFU FACTIONS.
CONDITION IN HONAN.

From: M.A.

No. [illegible]. Date: July 8, 1920., 19

Replying to No. Date, 19

REC'D M.I.D., G.S. OCT 21 1920

The following article is by Mr. Rodney Gilbert, an American who is very well informed on Chinese people, history and current politics. It was written upon his return from Changsha as interpreter for Major Philcox, and deserves careful reading by any one at all interested in present conditions in China.

"The most important discovery which the writer has made on a recent trip to Changsha by way of Chihli, Honan and Hupei, is that it is no longer possible to speak of a political feud between the North and the South. The war that is now on is between the Anfu partisans in both the North and the South, and the Anti-Anfu reformers in both the North and the South, who have been inspired to declare their positions by Wu Pei-fu's vigorous example. The South is now frankly divided against itself. A certain element in the Southern parliament under the leadership of Sun Yat-sen and his colleagues is now frankly associated with the Anfu group in Peking, and it is assumed that Tang Chi-yao, Governor of Yunnan, has also cashed in his lot with Little Hsu (Anfu). This federation is discussed as a matter of course in official circles in Changsha, Wuchang and Kaifeng, and in Wu Pei-fu's headquarters at Paotingfu. It has been known for a long time that negotiations between the Anfu clique in Peking and these southern elements were going on and it would seem that they have culminated in an understanding just at the moment when the Anfu Club is on the verge of collapse. Opposed to this group are the Tuchuns of the Yangtze Valley, Lu Jung-ting and Tsen Chun-hsuan, together with the element which they control in the southern parliament, the revolutionary army in Hunan, now controlled by Tang Yen-kai, the Tuchuns of Honan and Chihli, and the Tuchuns of Manchuria under the leadership of Chang Tso-lin. The only force which has created this big federation and which holds it together, is the personality of Wu Pei-fu. He has given visible proof of his sincerity and courage in his spectacular movement of troops into Chihli, and all of the numerous Military Governors and Division Commanders who have endorsed his policy, and who now declare themselves willing to support him in abolishing the Anfu Club and punishing its leaders, are still relying upon Wu for a show of initiative and determination. There is not one among them strong enough or honest enough to have ventured as Wu has. They have all enunciated the doctines and purposes which he now declares to be clauses in his policy, but all have preferred conspiracy to action, and there is no good faith among them.

Binding Margin.

The success of Wu Pei-fu's movement has thrilled all of them to action and perhaps to some mutual loyalty. If action is taken quickly against the Anfu Club while the enthusiasm lasts and before the Anfu conspirators have had time to create dissension in the ranks of their opponents, the Anfu Club will collapse, and every Anfu official will be a fugitive from justice. At present it would seem impossible that Wu Pei-fu's movement could fail, and if he succeeds either through moral pressure or through actual force of arms in purging the Peking Government of its worst elements, the members of his confederation will undoubtedly stand by him loyally, but if there is at any time a likelihood of failure, we shall have the spectacle of half a dozen Tuchuns and a great many more Division Commanders retiring into their local shells of neutrality and leaving the spirited little Commander of the Third Division to "hold the bag".

This is the situation in general. The writer had an opportunity in central China to see something of it in detail. Much of what he saw has probably been made public from other sources and will now be history rather than news, but as two instalments of his observations have already appeared in these columns, it may be well to pick up the thread where it was dropped in Changsha and to follow it back to Peking.

In Changsha, Tang Yen-kai, far from boasting about his achievement in driving the Northerners out of the city, was characteristically modest, almost apologetic. He said that he wished it understood that neither he nor his following had been inspired by a desire to renew hostilities between the North and the South. They were afraid that an offensive movement on their part would be regarded as a breach of the armistice, and that with the Peace Conference sitting in Shanghai, foreigners would be apt to think that their movement was not justified. Chang Chin-yao was, however, intolerable. They were Hunanese and from their positions in the South, they had seen the people of the province unmercifully abused and robbed by Chang's soldiery. Conditions had become so bad that when the opportunity offered, they had considered it their duty to seize it and to drive Chang from the province. In this movement they felt that they had not only the sympathy and support of the South, but also the moral support of all the Northern soldiery in Hunan except Chang's immediate retainers. Tang freely denounced the Anfu Club, and he said that while it was understood that he would not trespass upon Wang Chan-yuan's preserves in Hupei, their relations would depend a great deal upon Wang's attitude in the forthcoming attempt to do away with the Anfu Club. No secret was made of the fact that while Wu Pei-fu was in the Hengchow District, a working understanding had been reached between him and the Hunanese leaders. In his remarks upon the Anfu clique, Tang Yen-kai emphasized the responsibility and guilt of Hsu Shu-chang.

The difficulty of recalling and reorganizing the Hunanese troops which were in pursuit of the scattered bands of the 7th Division was delaying the prospective attack upon Yochow. As the men came in they were moving in small bodies down the Siang River and were assembling at points twenty or thirty miles from the Yangtze. All of those who passed through Changsha were equipping themselves with captured weapons and ammunition, nearly all of which, as Tang pointed out, were of Japanese manufacture of the latest pattern and seemingly quite new. Among other stores taken, however, was a large consignment of 70 Millimeter

Mauser/

Mauser ammunition, manufactured by the Winchester Arms Company.

Tang Yen-kai was of the opinion that Feng Yueh-hsiang had made all preparations to leave Changteh and he thought it likely that Feng would withdraw from Hunan when the last of Chang Chin-yao's troops had been driven from the province. He said that the Hunanese did not regard Feng as an enemy, and that he would not be attacked by their forces under any circumstances. He personally would be only too pleased to have Feng remain where he is. While this is Tang's personal attitude, and while no one bears Feng Yueh-hsiang any grudge, a great many Hunanese leaders feel that no northern troops, however benevolent their attitude, should be permitted to remain in the province, and it is said that in deference to this attitude, Feng has agreed to withdraw and to give place to Liu, Commander of the Hunan "Western Army".

At Yochow on the 22nd of June, an attack was still anticipated and it was even rumoured that it would take place that afternoon. Chang Chin-yao was himself occupying a yamen in the deserted city, surrounded by the remnants of his scattered Division. A number of launches and a great array of junks were in readiness for flight. Where Chang had been during the few days succeeding his flight from Changsha and the announcement of his presence in Yochow, is uncertain. Several foreigners, with whom the writer has talked, claim to have identified him in Hankow. One man claims to have seen him disembark from a Chinese launch at the ex-German bund on June 17th and proceed by carriage to the Japanese Concession. In Yochow it is said that he arrived there from Changsha direct and has never been away.

The topic of greatest interest in the depopulated city is still the murder of the missionary, Rev. W. Reimert. This was being investigated by Mr. Huston, American Vice-Consul at Hankow, who arrived at Yochow on board the gunboat "Villalobos" on June 19th, and who by the 22nd had succeeded in having an interview with Chang Chin-yao, who admitted his personal responsibility for the murder. The murderer was then known to be a minor officer in the 7th Division, who had placed himself at the head of a party of looters. He had been identified by a number of persons but was still at large, and while Chang claimed to have executed him, it was generally known that the man executed was a Hunanese, dressed in coolie clothes who was suspected of being a Southern military spy.

The question of the responsibility for this murder and of the punishment that should be inflicted upon the guilty parties is being discussed with much more interest by Chinese officials than is usually the case in outrages against foreigners. In every large body of troops there are, of course, individuals of criminal tendencies, and no matter how excellent the Commanders may be or how good the discipline, it is always possible that some one irresponsible individual may commit a crime for which it would be unfair to hold the division commander responsible. In Chang Chin-yao's case, however, nearly every Chinese official with whom this crime has been discussed, believes that the division commander should be made to assume the major part of the responsibility. He has set an example of ruthless brutality to his men, which has corrupted the entire division and has given it an infamous name among all the soldidery of China.

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There can be no doubt that his soldiers have been deliberately encouraged in frightfulness. Their record in Szechuan shocked even Yuan Shih-kai. In their home districts in Honan and Shantung, they behaved atrociously. In Hunan their record of crimes and brutalities would require many volumes to detail. Many other divisions recruited from the same poor districts of Chihli, Shantung and Honan have occupied the same territories in Szechuan, Honan, Shantung and Hunan and have come away with clean hands and a good name. This is evidence enough to the Chinese mind that the responsibility for the crimes of the 7th Division devolves upon Chang Chin-yao alone, and under these circumstances there is little reason to believe that the American authorities will be satisfied with the punishment of the actual murderer only and the payment of an indemnity. One Chinese official of long metropolitan experience, with whom the writer has talked, suggested the following course of pounishment: That the actual assassin should be executed in the presence of the remnants of the 7th Division and that the Division then be formally disbanded without pay; that Chang Chin-yao be degraded, deprived of all offices and ranks, and be brought to Peking as a state prisoner to be tried by the high military tribunal, before which he should be charged, not only with the murder of a missionary, but with all the atrocities committed by his troops in Hunan, details of which can be obtained in tremendous abundance by any commission appointed to make inquiry, no matter how prejudiced they may be in favour of Chang and his colleagues.

There were many estimates of the number of men still with Chang in Yochow. The average estimate was about 3000 and this number was dwindling daily. In Hupei Governor Wang stated that more than 3000 disarmed soldiers from the 7th had arrived at Wuchang and that an unknown number had come in divested of uniforms. The Southerners can account for at least 2000 captured and wounded and believe that at least 1500 were killed in the various fights and skirmishes south of Changsha. A large force, of which the number is unknown, escaped into Kiangsi, and many bands of all sizes were ranging over the country between the Siang River and the Southern border, pursued by southern troops. It is therefore evident that Chang cannot have many men with him. Governor Wang of Hupei also stated that most of the men who were straggling across the Hupei border had already thrown away their arms and ammunition so that there was no need of disarming them. Many to travel lighter had even discarded clothes and money and arrived exhausted and half starved.

A small body of the 20th Division was still at Yochow, guarding the Customs and the mission properties. Every available space in the guarded areas was crowded with hundreds and thousands of Yochow refugees, mostly old women and children who had been physically unable to escape. It was reported in Chengling, the Customs' port for Yochow, that General Fan Kuo-chang, Commander of the 20th Division, was then in the port though the majority of his troops had crossed the Yangtze and had gone on to Hsinti. The 11th Division was still "lost", though they all were presumably at Hsinti. In official circles in Hankow the Peking Government's order to the 20th and 11th Divisions to remain on the Yangtze and to guard communications, was received with much mirth. These Divisions were already on the Yangtze and did not propose to go anywhere else unless to return to Chihli. They had made it clear that they were not going to support Chang Chin-yao under any circumstances. Their unauthorized movements were virtually a declaration of independence.

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The Government's instructions to them were therefore regarded as a thin and transparent pretence of an authority over these troops which Peking was far from enjoying. Of one thing there can be no doubt: Hupei is thoroughly in sympathy with Hunan and the anti-Anfu feeling in Hankow is extremely bitter. Governor Wang's one all-consuming ambition is to preserve what he describes as his neutrality. He wants no feud with the South and he wants no Northern troops advancing upon Hunan through his province. He speaks with friendly respect of Tang Yen-kai, and quotes the high authority of Peking with awed solemnity. In short, he is determined to maintain his position on the fence. He is undoubtedly the weakest link in the anti-Anfu chain of Tuchuns, with the possible exception of Chen Kuan-yuan. The attitude in Honan is very different, however. From the Hupei-Honan border north to Paotingfu, the Peking-Hankow railway is under Wu Pei-fu's protection. At every station south of the Yellow River there are small detachments. At Chengchow the better part of the Third Division (Wu Pei-fu's) is still established, and north of the river there is a fairly strong garrison at every important town. No better propaganda for the cause of the anti-Anfu faction could have been started in this district, than the establishment of these troops along the line. They keep order where no order was kept before. They molest none. A guard of military police is on every train regulatin the conduct of all travelling soldiers, and passengers who have been led to anticipate all manner of insolence and inconvenience from the travelling ruffians are surprised to find that they can ride, eat and sleep in comfort and cleanliness. Chengchow, at the junction of the Kin-Han and Lung-Hai railways, is now a wealthy commercial and industrial centre. Prior to Wu Pei-fu's coming, Chang Chin-yao's brother, Chang Chin-yu, was recruiting in the district a fresh brigade of choice bandits for the 7th Division, of which he was to have been brigade commander. Chin Yun-peng's younger brother was also there in command of the 1st Brigade of the 1st Fengtien Division, over which, with all his upstart presumption, he had very little control. When Wu Pei-fu arrived the community was quaking in anticipation of looting. The soldiery were insolent and high-handed. They are as meek and well behaved as any in China now for when Wu went on to Paotingfu, he left instructions with Li, his Chief of Staff, that at the least sign of disorder the local garrison was to be routed out of the community. The railway folk on both lines are loud in their praises of Wu, and it is assumed as a matter of course that the Anfu club is finished. In Kaifeng, where there is an Anfu Civil Governor, there are daily demonstrations against him and Tuchun Chao Ti says with great decision that he is pledged to a fight to the finish against all organizations which Hsu Shu-cheng has built up in Peking. The newly recruited bandits whom Chang Chin-yao's brother has been recruiting in Chengchow are totally ignored by Wu Pei-fu's troops.

The project of sending reenforcements to Chang Chin-yao is a farce in Honan. If any of these ragged, unkept recruits ever get through to Hankow, they are supposed to be received by General Wu Kuang-hsin. To no one would they be less welcome. General Wu has not the slightest desire or intention of supporting Chang Chin-yao. Through the misfortune of his relationship to Marshal Tuan, he happens to be an Anfu retainer. As a matter of fact Wu is a quiet, retiring individual, with very liberal tendencies and probably having little or no sympathy for the schemes and conspiracies of his colleagues. Nothing is more certain than that he will never lead troops into Hunan.

If he is supplied with troops, it will simply be his painful duty to provide for them and to keep them in order wherever they happen to be garrisoned.

Paotingfu is at present, thanks to Wu Pei-fu, the most interesting political centre in China. It is the field head-quarters of the anti-Anfu combination. One encounters there the delegates from the Governors and the Division Commanders of every province and organized force in China. They all want to know what Wu is going to do, and there is no circumlocution in his statement of his plan of campaign. The writer arrived there on the morning of June 27th and had no difficulty in gaining access to the Commander of the Third Division. Wu himself is not inclined to discuss the intricacies of Chinese politics. He does not indulge in prophecies or probabilities; he simply states what he wants to do and how he wants to do it. To anyone who is accustomed to interviewing Chinese officials, a talk with him is disappointing. He does not deal in the usual genial persiflage. He gives you the impression of a man who has a great deal on his mind, but does not want to talk if you have nothing to say. In his telegrams, with which all are familiar, he is in the habit of describing himself as a plain military man, giving the world the impression that he is an uncouth but honest swordsman, only semi-literate and guided rather by his emotions than by his intellect. It is therefore something of a surprise to find in him a slender dapper, little man, with noticeably small white hands and all the dignity and punctiliousness of a Chinese scholar. He has a high, close cropped head and bright intelligent eyes, and on occasions he can smile very sweetly but he does not waste any smiles. Although there is nothing pompous about him, no strut and no self-assertion, it is evident at the first glance that Wu is one who takes himself seriously and who believes in his mission. In the management of his troops, he is said to be something of a martinet and in the execution of what he considers to be his duty it is easy to see that he is something of a fanatic. The ordinary Chinese military official is a bluff, easy-going person with a keen sense of humour. It may be doing him an injustice, but after meeting Wu Pei-fu and talking with him it is very difficult to imagine him indulging in any sort of frivolity. Perhaps the seriousness of his present situation weighs heavily upon him, but one is given the impression that he takes everything very seriously and that his smiles are only a compromise with social amenities.

He tells you directly that he is after Hsu Shu-cheng's scalp; that if Hsu does not get out, he will be put out, and that the Anfu Club must go. He believes that he has things so thoroughly organized and so well arranged that this will be accomplished without any serious disturbances. Like Tang Yen-kai he disclaims all credit for the accomplishments and good behavior of his men. He says, like Tang, that they are patriotic CHinese soldiers and that they are supported by public opinion. His Staff Officers, however, being more nearly human, discuss the present political situation much more freely. They will tell you that until Chang Tso-lin has visited Paotingfu and had endorsed Wu Pei-fu's theories and plans, their position was more or less precarious. Wu proposes, according to them, to force the Anfu Club out of Peking, to have every Anfu official of any importance removed from office; to dissolve both the Northern and Southern parliaments; to ignore the burlesque peace conference in Shanghai and to hold fresh elections as honestly conducted as possible for a new parliamentary body.

Chang Tso-lin left Paotingfu to confer with the President in Peking, as the champion of Wu Pei-fu's schemes, having agreed with him before his departure that if the Anfu party did not dissolve itself, and that if Hsu Shu-chang did not retire into private life, a military campaign should be conducted against Peking. It is understood that after the Anfu folk have been driven from the capital, Tuan Chi-jui will be free, if he likes, to remain in Peking and to offer himself as a candidate for any office to which he aspires. The tendency is among all of these military people, to exonerate him from responsibility for the crimes attributed to the younger Anfu leaders, and while they are by no means his political champions or supporters, they seem eager to give him an opportunity to retire honourably from the political field.

Everyone in Paotingfu makes light of the possibility of disorder in Peking. They say that they have had secret visits from all the higher officers of the troops stationed in or about the metropolis and that all are much in sympathy with General Wu's plans, and are ready to guarantee that their men will not mutiny, but will support a nation-wide anti-Anfu movement.

In Peking the population is undoubtedly fully aroused to an understanding of the issue, and the Anfu clique is as severely condemned in the streets and tea houses as in the Third Division Headquarters at Paotingfu.

It would seem that a number of people in Peking who having no other responsibilities, have been making hay when the sun shines, are about to be visited with dire punishment but it is too early to exult. The Chinese passion for compromise, especially in such hands as those of the President and Governor Chang Tso-lin, may rob the victory of the anti-Anfu partisans of many of its fruits. If the present lull following upon the movement of Wu Pei-fu's troops and the taking of Changsha, results in prolonged discussions in the Presidential palace, and in the usual running about of delegates from Tuchun to Tuchun throughout China, it is probable that Wu-Pei-fu will find himself forced to take independent action or to accede to some unsatisfactory compromise which will neutralize half the glory of his bold dash into the North. It is futile to prophecy what the final adjustment will be, but it is significant that Chinese of all classes, including many high Anfu officials of metropolitan experience, are betting on Wu Pei-fu.

Throughout all this country one hears it prophesied also that after the fall of the Anfu club, the Tuchun combine in its inevitable squabble over the official spils, will collapse and that there will be an interregnum characterized by the disorders which the writer has prophesied in previous articles."

End.

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OFFICE CHIEF OF STAFF

2657-D-149

1920 OCT 26

WAR DEPARTMENT

SUBJECT: REPORT ON RECENT STRUGGLE BETWEEN CHIHLI AND ANFU FACTIONS.

From: M.A.

No. 2597 Date: July 17, 1920., 19

Replying to No. Date, 19

REC'D M.I.D., G.S. OCT 21 1920

2657-D-142

2657-D-148

Refer to previous reports No. 2593 and 2596.

Representatives of the League of Tuchuns, especially of Chang Tso - Lin, Tsao Kun and Li Hsun were in consultation in Peking and demanded of the President the removal of General Hsu Chu Cheng from control of the Northwest Frontier Defence force, and requested that these forces be placed under the control of the Ministry of War.

It must be remembered that throughout the controversy between the North and South the Southern delegates have constantly made the disbandment of the Frontier Defense forces as one of the conditions of Peace. This one condition Marshal Tuan has constantly refused.

Under pressure from the League of Tuchuns the President finally published a Mandate placing these forces under the Ministry of War, and removed General Hsu Chu Cheng "Little Hsu" from any control over the defense organizations.

MarshalTuan and his backers of the Anfu Party refused to accept the President's Mandate and proceeded to mobilize all the troops in the Metropolitan area, to resist the troops of the League of Tuchuns who threatened to proceed to Peking and compel compliance with the Presidential Mandate.

Available forces of either side:

The troops which are immediately available under Marshal Tuan Chi-jui in the neighbourhood of the Capital are as follows:

1st Division of the Frontier Defense Force.
3rd " " " " " "
9th " (National Army).
13th " (National Army).
15th " " "
2nd Mixed Brigade of the Northwest Frontier Defense.

Note - (Part of 9th Division is in Siberia. The division Commander General Wei is reported to have resigned rather than use his division to resist the President's Mandate.) One Brigade only of the 13th Division is available. Approximate total - 45000 troops with 204 field and mountain guns.

Binding Margin.

Ts'ao K'uns Chihli troops under General Wu Pei-fu:

3rd Division
1st Chihli Mixed Brigade
2nd " " "
3rd " " "
4th " " "
Two Depot Brigades
Approximate total - 40,000 troops with 84 field and mountain guns.

The present distribution of these forces on July 10th, so far as it was known is shown in the attached sketch.

Other Forces

Although these are the forces immediately under control of the Commanders near Peking, there are other troops in Shantung, Anhwei, Kiangsi, Chekiang and Honan that are siding with either one of the other parties there causing disturbances in all of the Provinces named.

Taking the country as a whole, the League of Tuchuns seem to control a far greater number of troops than their opponents especially as there is no question but that there is an agreement between the League and the Southern Leaders.

The troops of the two factions are so located however, that they tend to neutralize each other for the present emergency in the vicinity of the Capital, with the exception of the troops of General Chang Tso-lin, the Chief of the three Manchurian Provinces.

General Chang appears now to have definitely sided with the Chihli party and his actions should seal the fate of the Anfu faction. It is reported that General Chang is now moving the 27th and 28th Divisions from Mukden to join the Chihli troops in an attack on Peking.

Course of Hostilities

Up to the present, contact has been made between the opposing troops at Cho Chow (Between Peking and Paiotingfu on Ry.) at Ku-an and between Lo-fa and Yang-tsun (on the Ry. between Peking and Tientsin).

On the 15th of July, Marshal Tuan ordered his troops to take the offensive. Some artillery firing was heard during the forenoon and the Tuan forces reported an advance to Kao-pei-tien (south of Cho Chow) and to Ku-an. Some two hundred wounded soldiers were brought back to Peking.

On the 16th, the Tuan forces attacked the Chihli troops at Yang-Tsun. All trains have been held up since the evening of July 15th as a result of the fighting.

The 2nd Mixed Brigade of the Northwest Frontier Defense forces located at Langfang and Lo-fa (See sketch showing position of troops on July 10th) started the attack during the night of July 15-16th and fighting continued throughout the 16th. Tuan's officers state that Yang-tsun has been taken by the 2nd Mixed Brigade.

Ammunition Supply.

The Frontier Defense troops were originally organized as a result of a 30,000,000 Yen loan from Japan and the Chinese-Japanese Military Agreement. Arms, equipment and ammunition are of Japanese manufacture. Additional supplies were obtained from the Te Chou, Hanyang and Kung Hsien Arsenals. These arsenals are now in the hands of the Chihli troops however, who are depending on these arsenals for their supply of ammunition.

Large quantities of ammunition have recently been supplied the Tuan forces by the Italians, seemingly in violation of the Embargo Agreement Both sides seem plentifully supplied with ammunition.

Moral of Troops.

Both foreign and Chinese observers seem to be of the opinion that although the Chihli troops are undoubtedly animated by respect and admiration for General Wu Pei-fu, both sides lack an ideal for which to fight or even an inclination to fight. Public opinion is probably in favor of Wu Pei-fu and opposed to Tuan, as the latter is supporting the Anfu or pro-Japanese party.

The troops on both sides are recruited from Shantung, Chihli and Honan Provinces for the most part and there is little chance of serious fighting between men of the same province, and possibly men of the same village, in order to further the political ambitions of a few unscrupulous officers.

This is realized by the Anfu party and their propagandists are now busy impressing the Anfu troops and the country at large that it is a struggle of "Republic against Monarchy" and that a victory for the Chihli party means the Restoration of the Monarchy.

There seems little reason to believe that the League of Tuchuns entertain any idea of re-establishing a Monarchy and the propoganda deceives no one.

Situation as regards foreigners.

So far as can be seen, at present foreigners appear to be in no danger. There have been no anti-foreign demonstrations or any indications of anti-foreign feeling.

Free communication on the Peking-Mukden Railway between Peking and the Sea is provided for by International Agreement. Over 3500 foreign troops including the 15th U. S. Infantry are stationed along the Railway for the purpose of maintaining the communication as provided for by Agreement. This force is considered ample but may easily be increased by men from the Asiatic Fleet.

Telephonic and Telegraphic communication between Peking and Tientsin were cut and the railway traffic was interrupted as a result of the fighting near Yang-tsun on the morning of July 16th.

Representations have been made to the Chinese authorities by both the British and the Japanese Legations (the troops of these two countries are responsible for the Railway between Peking and Tientsin) that the siteing of trenches and gun positions within two miles of the Railway constitues a serious menace to the mainenance of free communication and therefore cannot be tolerated. The Chinese authorities have given assurance that steps will be taken to insure compliance with the protocal of 1902 in this respect. The American Legation is constantly in touch with Tientsin and the Fleet through its own wireless installation operated by the Legation Guard.

The most serious danger to foreigners would therefore appear to be:

(a) Disturbances in Peking, in the event of defeat of the Anfu troops which may result in forcing into Peking numerous undisciplined troops out of control who are notorious looters.

(b) Lack of food supply in Peking.

As regards (a) The Gendarmerie and Police are tolerably efficient and should give considerable assistance in maintaining order. The Legations are protected by approximately 700 troops which seems sufficient for any probable emergency.

As regards (b).

Traffic on the Peking-Hankow and Peking Suiyuan Railways has been suspended since the recent disorders commenced. Traffice on the Peking-Mukden Line has been limited to about three passenger trains each way per diem during the last week and yesterday (the 16th) communications was entirely interrupted.

It is entirely probable however, that when the need is sufficiently urgent, trains can be run through from Tientsin under foreign guard with the necessary food and other supplies.

END.

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MIL. INTEL. D.V.
NOV 19 1920
2657-D-153
WAR DEPARTMENT

SECRET.

SUBJECT POLITICAL REPORT - PERIOD SEPT. 1st to 19th, 1920.

From H.A. Political.

No. 2657 Date September 23, 1920., 19

Replying to No. Date 2657, 19

Binding Margin.

Nothern Politics.

The opening of September found General Chang Tso-lin, Military Governor of Fengtien, and General Ts'ao K'un, Military Governor of Chihli, still in Peking supervising the new Cabinet installed by them on August 11th in settlement of the "Civil War" that took place in the few days following July 15th and was terminated by the defeat of the Anfu party. Premier Chin Yun-p'eng informed a member of the American Legation that one of the conditions exacted by him before he would consent to resume office was his absolute independence in the prosecution of his plans for the unification of the country, the disbandment of superfluous troops, etc., but in popular opinion the two militarists had secured during their visit to Peking a strangle-hold on the Government now functioning here. Nevertheless, foreign opinion felt greatly encouraged by the personnel of the new Cabinet, especially in view of the inclusion of Dr. W. W. Yen as Foreign Minister and of Chow Tsu-chi as Minister of Finance. In Yeh Kung-ch'o, also, formerly Vice Minister of Communications and now Minister, foreigners recognized a man of great ability and acquaintance with his subject, even if formerly his reputation for probity had not been of the highest.

Prospects for Unification.

Under these circumstances great expectations were entertained of an early unification of the country. The negotiations with the Canton

Military

Military Government were reported to be on the eve of successful conclusion, based upon a dissolution of the two Parliaments and the convocation of a new one, the cancellation of the Sino-Japanese Military Pact of 1918, etc., and it is a fact that representatives of the said Government were in Peking engaged in constant negotiation with the Premier.

The two Generals left Peking on September 4th and met in Tientsin in order to consummate the betrothal of the son of Chang Tso-lin to the daughter of Ts'ao K'un, an event of serious political importance in China. They remained in Tientsin some time and on the 8th instant the Premier himself went to Tientsin to join in a conference at which Li Shun, Military Governor of Kiangsu, was likewise represented, as well as the Military Government, and the announcement of peace between Canton and Peking was confidently expected, while the adhesion to the peace of General T'ang Chi-yao, Military Governor of Yunnan, was not out of the bounds of possibility.

Southern Politics.

However, as on previous occasions, at the last moment events interferred to prevent this long-hoped-for consummation. These events were the breaking out of dissensions in the Military Government itself and the great successes attained by T'ang Chi-yao in Szechwan. The latter General had succeeded in driving out General Hsiung K'o-wu, who had previously become Military Governor by driving out General Liu Ts'un-hou, T'ang on this account was becoming very independent in his attitude. An important adjunct to the situation was the adhesion, or at leastly friendly attitude of former Anfu partisans to T'ang Chi-Yao's party, such as, for instance, Li Hou-chi, the Military Governor of Fukien, Ch'en Shu-fan, Military Governor of Shenzi, and others who felt that the debacle in Peking made them open to attack by the Peking Government. Some members of the Canton Military Government likewise joined him, of whom the most notable were General Ch'en Ch'iung-ming, Commander of the Cantonese Troops in Fukien,

and/

and General T'an Yen-k'ai, who occupied Hunan upon the evacuation of that Province by General Wu Pei-fu. General T'an Yen-k'ai is understood to have made a personal arrangement with General Wang Chan-yuan, the pro northern Military Governor of Hupeh, whereby neither should attack the others provinces, but the former General has always obviously been ready to give his allegiance to whichever of the three contestants should appear to be the most powerful.

General Ch'en Chiung-ming started an offensive against Kuangtung and according to the most prevalent reports had, by the 19th instant, taken his troops to within 100 miles of Canton, while the remnants of the Military Government, represented principally by General Lu Jung-t'ing, General Mo Yung-hsin, Ts'en Ch'un-hsuan, Wen Tsung-yu, et.al. were said to be on the point of departing for Hongkong. It will be recollected that those leading politicians, Wu T'ing-fang, Sun Yat-sen, and Tong Shao-yi had long previously abandoned the Military Government, on the ground that it was controlled by the Kuangsi Militarists, and had given their allegiance to General T'ang Chi-yao in Yunnan, who thereupon styled himself the leader of the "Constitutionalists Party" and started to create a new Military Government at Chungking, gathering such members of the old Parliament as he could persuade thither.

Peace Negotiations:

The Peking Government naturally felt some hesitation in concluding peace with the Government at Canton at a moment when it was at its lowest ebb and when a coalition with it would apparently produce no result than than an alignment against T'ang Chi-yao, who had now become a far more important factor. At the time of writing, however, the Premier states that T'ang has been driven out of Ssuchuan by the two dispossessed former Military Governors mentioned above who have joined forces, but it appears that he may be over sanguine in this regard. The Premier has sent an emissary to T'ang Chi-yao and prospects for internal peace seem now absolutely to depend on whether T'ang can be brought around to a reasonable

view/

view of the situation. A telegram from this emissary received a day or so ago states that prospects for peace are now favorable.

Reason for dissensions:

As will be seen from the above comment, the quarrels now preventing at least nominal unification arise from personal differences, and it is safe to state that if the leading personalities mentioned herein could be led to an unselfish attitude, or could have their individual aspirations satisfied, peace would be achieved. Attempts at gratifying their aspirations have already been made leading to a division of the country between a half dozen great leaders, that is, Chang Tso-lin is now Inspector General of the three Manchurian Provinces, Ts'ao K'un holds the same position in the three Northern Provinces of Honan-Shantung, and Chihli, with General Wu Pei-fu as his second in command, General Wang Chau-yuan, Military Governor of Hupeh, has been appointed Inspector General of Hupeh and Hunan, but because the latter Province is in the hands of General T'an Ken-K'ai he has refused the appointment, while General Li Shun, at Nanking, was on the 16th of August appointed Inspector General of the Yangtze River, but he refused the appointment since what he really wanted was the Inspector Generalship of the three Provinces of Kiangsu-Kiangsi, and Anhui, which for various reasons the Peking Government was unable to give him. General Li Shun is therefore likewarm in his attitude toward furthering the interests of Peking, more especially as he considers that Chang Tso-lin and Ts'ao K'un have not treated him as an intimate on equal terms with themselves. Previous to these recent events tentative plans were on foot to make Lu Jung-t'ing Inspector General of Kuangtung and Kuangsi, T'ang Chi-yao the same for the three provinces of Yunnan, Kueichou and Ssuchuan, etc., while other settlements to satisfy individual ambitions were mooted, but these for the moment are in abeyance.

In Addition/

In addition to the reason for differences referred to above there is also the question of financial obligations to be assumed, before peace will be consented to. One example may be given to illustrate this point. Before he left Peking, General Chang Tso-lin stated that he had in Manchuria 300,000 troops, costing annually twenty-three million dollars ($23,000,000) of which four million dollars ($4,000,000) was paid by the Peking Government, four million dollars ($4,000,000) by the Manchurian Provinces, and the rest defrayed by foreign loans. Not only did the Military Governors want the current expenses of their military establishments guaranteed, but each had a bill to present for amounts alleged to be due in times past.

Russo-Chinese Relations:

At the beginning of the month a delegate from the Verkhneudinsk Government headed by Mr. Yourine had come to Peking to negotiate ostensibly about commercial relations. This Mission purported to represent the whole of Eastern Siberia but while their credentials were found in good order the Chinese Government required telegrams of confirmation from the other Governments now existing there. Negotiations progressed so well that on September 16th the Chinese Foreign Office issued a communique describing the steps taken by the Chinese Government in entering into negotiations with these representatives and in effect explaining this apparent departure from the common attitude of the Allies toward the Siberian Government. In the early part of the month the Chinese Province of Sinkiang had entered into conventional relations with some Siberian authorities providing for the resumption of trade over the border, exchange of official representatives, etc., and this arrangement had been confirmed by the Chinese Government. Due to the facts of their position it is evident that China and the Siberian Government, or Governments, must regularize their relationships and this is apparently being done in a satisfactory manner. An unavoidable consequence of these negotiations was, of course, the raising of the question of the status of the Russian Diplomatic and Consular officers in China left over

from/

from the Imperialist regime. It is understood that the Chinese Government during this month has ceased the payment of the portion of the Russian Boxer Indemnity that was not deferred, in spite of the protest of the French and the Japanese Legations, and that on this account Russian Consuls and the present members of the Russian Legation Staff are on the point of ceasing to function, thereby raising many important questions as to the control of Russian concessions, etc., which are now being discussed by the Legations especially interested therein in order that their nationals may receive proper protection.

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WAR DEPARTMENT

3-1 7657-D-154

SUBJECT BOLSHEVISM IN CHINA

--Service Report--

From E.A. 2657-D

No. 2702 Date December 2, 1920., 19

Replying to No. Date, 19

REC'D M.I.D., G.S. JAN 8 1921

Your attention is especially called to the following report written for us by Dr. John Dewey, Professor of Philosophy in Columbia University and Exchange Professor in China.

Dr. Dewey has made a special study of this subject in China and has had unusual opportunity of getting into touch with the element in China that may be considered as radical. I know of no one any where, better qualified to report on this important matter than Dr. Dewey.:-

Peking, China, Dec. 1, 1920.

My dear Col. Drysdale:

"In reply to your inquiry, I would say that I have seen no direct evidence of Bolshevism in China. I landed in Shanghai the first of May last year. In the year and a half since I have been in nine provinces, including the capitals, though much the greater part of the time has been spent in Peking. I have been in Shanghai four times, however, Hangchow twice, and spent two months in Nanking having been there twice. I feel the surer of my belief that Bolshevism is lacking in China because I have been in close contact with the teachers, writers and students who are sometimes called Bolshevists, and who in fact are quite radical in their social and economic ideas.

The student body of the country is in the main much opposed to old institutions and existing political conditions in China. They are especially opposed to their old family system. They are disgusted with politics, and while republican in belief have decided that the Revolution of 1911 was a failure. Hence they think that an intellectual change must come before democracy can be firmly established politically. They have strong and influential leaders among the younger teachers. The great majority of the teachers are still, however, rather conservative in their ideas. The student body in China is proverbially undisciplined, taking an active hand in running the school, striking and demanding dismissal of teachers, etc. This is no new thing and is found in only slightly less degree in Japan, in spite of the great political docility there.

All of these things make the students much inclined to new ideas, and to projects of social and economic change. They have little background of experience and are inclined to welcome any idea provided it is new, or is different from what actually exists. They are practically all socialists, and some call themselves communists. Many think the Russian revolution a very fine thing. All this may seem more or less Bolshevistic.

But has it not been/

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But has it not been inspired from Russia at all. I have never been able though I have tried to run down all rumors to hear of Bolshevist propagandists. In the south they are said to be in the north; in the north to be in the south. I do not doubt there are some in China, but I am sure they are not many. And I am absolutely certain they have nothing to do with the general tone and temper of radical thought in the country. A student was arrested two months ago in Peking for circulating "Bolshevist" literature. I investigated and found it was truly anarchistic, advocating the abolition of government and the family, but not Bolshevist.

However if the movement were practically dangerous it wouldnt be much matter whether it was inspired or directed from Russia or not. As matter of fact, it is the effervescence of school boys, being intellectual and emotional rather than practical. It is stimulated by the corruption and inefficiency of the government, and by the Pro-Japanese character of the former cabinet. It is a symptom of the change of China from old conditions to new. Much of it is rather silly and superficial, but it is a sign that the students have begun to think about social and economic matters, and is a good sign for the future, because it shows that they have awakened to a realization that a mere paper change in constitution and government is not going to help China any. Radical thought has been accentuated in consequence of the war, but it has been an accompaniment of the new movement for twenty years. The first platform of the Chinese revolutionaries, adopted in 1901 or 1902 was socialistic, and so was the program of the Kuo Ming Tang, the Sun Yat Sen revolutionary party, till it was dissolved by Yuan Shi Kai. But there is no leverage in the country to bring about a social revolution or anything approaching it. The farmers are still highly conservative, and they form ninety per cent of the population. There are a good many tenant farmers, but there is much more family proprietorship. A country of peasants that will stand the famine the north is passing through now with no rioting or outbreaks of disorder is less in danger of Bolshevism than any country on the globe. Also industrialism is only just beginning. As yet it is confined to Shanghai and about a half dozen other cities. There isnt outside of these few cities any discontented "proletariat" to appeal to. In these cities unions are forming etc, but the men are mostly interested in their wages. They are not capable of being reached by ideas of great economic changes. In Changsha a few weeks ago I was invited to attend a meeting to organize a branch of a labor association. There wasnt an actual day laborer at the meeting, manily merchants with some students. It was much more like some civic welfare or philanthropic organization at home than any labor party, though it had been called by a national organizer sent out from Shanghai. Thus the students have no material to work upon even if they wanted to start a a practical movement. Also they are still too theoretical to engage successfully in practical movements. They were quite successful in attacking some of the corrupt Anfuites two years ago, but popular opinion was strongly with them. But at present even their influence in politics where they would have a practical effect if anywhere is very slight. Most foreigners who have any contact with them wish, I think, that they were more active, and more likely to start something than they seem to be.

The sum of the whole matter is that the intellectual class is radical in its beliefs and much interested in all plans of social reform. But it is a small class, practically with little influence, and not concerned to organize itself to get more. The whole social and economic background of Bolshevism as a practical going concern is lacking. Pick ten Chinese who are educated at random and who are outside the official class (which during the Anfu regime tried to block the student movement by calling them Bolshevists) or ten foreigners in contact with the Chinese and you will get the same reply.

Many hope/

Many hope that a political revolution is coming to throw out the present class of officials and to get a new start. There may be an upheaval of this sort which those who dont like it will call Bolshevist. But I'm afraid it wont come very soon, and when it does come it will be confined to doing over again the things that were pretended to be done in 1911."

Very sincerely yours,

/s/ John Dewey

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1921 MAR 14
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WAR DEPARTMENT

3-1

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SUBJECT Russian-Chinese negotiations.

Monograph Report.

From China

No. 2729 Date January 26, 1921.

Replying to No. Date 19

REC'D M.I.D., G.S. MAR 10 1921

China, Political.

(59) Foreign. CHINA, POLITICAL.

1. The following is a translation of a letter from the Board of Foreign Affairs to Mr. Chang Sze-ling, Head of the Chinese Mission to Moscow, asking him to hand to the Ministry of Foreign Affairs of the Chinese Republic a note which is therein enclosed.

To His Excellency, Chang Sze-ling,
Diplomatic and Military Representative of the Chinese Republic.

October 2nd, 1920.

Dear Sir,

The Board of Foreign Affairs of the Soviet Republic hereby sends to the Ministry of Foreign Affairs of the Chinese Republic a note containing terms which we recognize as the basis for the negotiation of a future treaty of peace and friendship between the two countries, and requests Your Excellency to transmit it to Your Government for careful consideration. The Board of Foreign Affairs hopes that it will soon be favored with a reply acquainting it with the attitude of your Government toward the note, and that Your Excellency will use your best efforts for the speedy attainment of this fundamental object- the conclusion of a close alliance between China and Soviet Russia.

(Signed) Karahan
Acting Commissary of Foreign Affairs.
(Signed) Vosnesensky
Chief of the Department of Far Eastern Affairs.

The following is a translation of a note of the Board of Foreign Affairs of the Soviet Republic to the Ministry of Foreign Affairs of the Chinese Republic:

We have the honor to state that on July 25, 1919, the People's Commissary of Foreign Affairs of the United Socialist Republic addressed a declaration, or rather open letter, to the people of the Chinese Republic and the Governments of the North and South, in which the Soviet Government expressed its willingness to abrogate all treaties which had been entered into between China and the former Tsarist Governments, and in which it also intimated its readiness to conduct formal negotiations with the representatives of your Government with a view to the early restoration of our traditional friendship. So far as we know, this declaration reached you long ago; and we are also certain that it was well received, as the different classes among your people have since then been urging Your Government to open negotiations with us at once. Now we are again honored with the presence of a Mission from your Government, which is headed by Major General Chang Sze-ling. We hope that after discussing with Major-General Chang Sze-ling we can arrive at a mutual understanding and realize the close relationship that has always existed between our two countries. We firmly believe that between the two countries there is no question which does not admit of an amicable settlement and that the solution of our common problems will accrue to our mutual benefit. The enemies of our two races, however, fearing that our union would mean the end of the present in which they can bully and brow-beat your people with impunit

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Monograph Report.

From China

No. 2729 Date January 26, 1921.

Replying to No. Date, 19

leaving no stone unturned to prevent our getting together. This state of things we fully realize. But now that your representative has arrived in Russia and has seen and heard with his own eyes and ears, he can surely testify to the sincerity of our intentions toward China. On account, however, of lack of proper instructions from his home Government he has not yet been able to proceed with the discussion of any serious subject, with the result that many of the important commercial and political questions between our two countries remain unsettled, to the great regret of this Board. Now, for the purpose of promoting friendship and peace between the two countries, we reaffirm the following:

We still adhere to the principles enunciated in the declaration of July 25, 1919, and recognize them not only as the basis for our future treaty, but also as being essential to the promotion of permanent peace and everlasting friendship between the two countries. Now we propose to Your Government the following conditions, which, we trust, can be embodied in a treaty between China and Russia.

(1) That the Soviet Government engages itself to renounce all treaties concluded between the former Imperial Governments and China and to make unconditional return to China of all the rights, concessions and leased territories acquired either by Russian capitalists or by the Tsarist Governments in China.

(2) That the two republics shall endeavor, as far as is possible, to restore their former economic and commercial relations, and shall forthwith conclude a special treaty uppn the basis of the most-favored-nation principle.

(3) That the Chinese Government shall engage itself to render no support to anti-revolutionary persons or organizations and, further, to prevent them from using Chinese territory as bases of operations against the Soviet Government.

After this treaty is signed, the Chinese Government shall see to it that all anti-revolutionary persons or organizations that are found in Chinese territory plotting against the safety of the Soviet Republic shall be disarmed and interned with a view to their ultimate surrender to the proper authority of the Soviet Government.

The Soviet Government shall undertake the same duty in the cases of any Chinese individuals or organizations that are found plotting in Russian territory against the safety of the Chinese Republic.

(4) That all Russians residing in China shall be subject to Chinese laws and such regulations as the Chinese Government may promulgate from time to time. The same shall apply to Chinese residents in Russia.

(5) That on and after the day when this treaty is signed the Chinese Government shall sever relations with and expel all those self-constituted Russians, diplomatic and consular officers of the former Imperial Government who have not been recognised by the Soviet Government. Again, all the consular buildings and the Russian Legation in Peking, and the properties and archives found therein, shall be delivered over to the Soviet Government.

(6) That the Soviet Government engages itself to renounce all

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From China

No. 2729 Date January 26, 1921., 19

Replying to No. Date, 19

all claims to the Russian portion of the Boxer indemnity, but at the same time the Chinese Government shall engage itself not to use the same to support any officers of the former Imperial Government, or other anti-revolutionary persons or organizations.

(7) That after this treaty is signed each party to it shall engage itself to send diplomatic and consular officers to the other at once.

(8) That China and the Soviet Government shall agree to negotiate a special arrangement providing for the use of the Chinese Eastern Railway by the latter and that, when this agreement is made, the Far Eastern Republic shall also be a party to it.

The above eight conditions the Board of Foreign Affairs of the Soviet Republic recognizes as being the essential stipulations of a future treaty; and it will be glad to discuss them sincerely and frankly with the representatives of Your Government. If the Chinese Government thinks it necessary they may be modified. It is, however, the opinion of the Board of Foreign Affairs of the Soviet Republic that those relations between the two countries which are of such a complicated nature as not to admit of their satisfactory inclusion within these eight articles, particularly such questions as the regulation of customs duties, railways and so forth, can be settled later between delegates appointed by the two countries to conclude special treaties. Finally, inasmuch as we are making our best efforts for the promotion of the closest friendship between the two peoples, we likewise expect that your Government will favor us with a prompt and sincere reply at its earliest convenience, so that a treaty of friendship may be concluded in the not distant future.

(Signed) Karahan
Acting Commissary of Foreign Affairs

2. Negotiations are now being conducted. Japanese pressure is being exerted to prevent any understanding between the Chinese and Russians. Opposition to resumption of Railway traffic between Siberia and Manchuria is particularly emphasized.

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O. N. I. 88

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WAR DEPARTMENT

From Ky. Date March 30, 1921 Serial No. 232 (Commence new series each January first.) File No. 910-200 (Select proper number from O. N. I. index.)

Source of information Representative of the Mongolian Trading Co.

Subject CHINA: URGA (Nation reported on.) ARMY (Index title as per index sheet.) OPERATIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

The capture of Urga by the troops of Baron Ungern and Mongols.

M. I. 2.

Following is a report submitted by the Urga representative of the Mongolian Trading Company (an American firm), who was in Urga during the siege and fall of the city to the president of the Mongolian Trading Company:

For your information I have to report on the events occurring in Urga from the date of my arrival there on December 24th, 1920, to that of my departure from that city on February 17th, 1921. It will be unnecessary to touch upon the events of October and November which led up to the capture of Urga on February 2nd, as you already have full information upon this point.

Upon my arrival in Urga in company with Mr. McLaughlin and Mr. Kumhardt, I found the town in a very upset condition. The Chinese and Russians both had information concerning a large Russian and Mongol mobilization at Zum Kuren on the Kirulun River, some two hundred and forty versts to the east of Urga, and reports were constantly being circulated of strange patrols of cossacks and Mongols being seen near the city. Added to this, the telegraph lines were being constantly cut near the town, making communication very uncertain.

The Chinese military commander, General Chu Chi-hsiang, circulated a verbal report among the foreign population to the effect that in case of an attack upon the city, he would kill every white man, woman and child in town. He was utterly unable to pay his troops, whose pay is six and eight months in arrears and to keep them happy, gave them carte blanche to rob Russians right and left. They entered houses on the pretext of searching for firearms and helped themselves to whatever pleased their fancy. Scarcely a day passed without one or more cases of rape by Chinese soldiers upon white women and girls being reported. It was during this reign of terror that a Greek subject was crucified and horribly tortured with red hot irons and candles by the troops. Two other similar cases were also reported to me. The troops looted Chinese and foreign shops alike, taking what pleased them and paying nothing.

On or about January 18th I was informed by one of my own cossacks that Baron Ungern von Sternberg with about 2,500 Russian cossacks and 1,500 Buriat cossacks under his immediate command, together with 5,000 Mongols under Se Ven Kung, the Mongol commander-in-chief, were camped at Tulje, on the Toola River, forty versts east of Urga and that an attack could be expected at any time. At this time reports came in of cossack activities on the Kiakhta Road to the north of Urga. The Chinese were

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From K. Date March 30, 1921 Serial No. 212 (Commence new series each January first.) File No. 810-200 (Select proper number from O. N. I. index.)

Source of information

Subject (Nation reported on.) (Index title as per index sheet.) (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

evidently very much upset, as they despatched the cavalry commander, Kao Tsai-ting with 1,500 men and also considerable bodies of infantry and a few light guns to the north, these men going out over the road directly behind the Mongolor House. That they expected the attack to be serious was evident by the way they collected all available food and forage.

Up to this time Bogda Khan was allowed to live unmolested in his own palace, unguarded by troops, but the Chinese, evidently fearing an escape to the hills, placed a guard of 250 men about him.

On January 31st a friend warned me to expect action that night. I moved my two cossacks to my house with their families, considering them safer than in their own small place. Mr. McLaughlin decided to stay at the office with the Russian accountant and a friend of his and Mr. Kunhardt, who intended to stay at the house, got caught in town and was unable to return through the Chinese sentries.

At daybreak on February 1st, a heavy artillery fire commenced from the hills to the north-east of Maimaicheng and continued throughout the morning, the Chinese making little or no attempt to answer it, being huddled in and about East Urga. At ten o' clock that morning, the invaders rescued Bogda Khan in a most spectacular manner. I was watching his palace expecting something of the sort. Suddenly, at full gallop a force of 70 Mongols, Russians, Buriats and Tibetans under a Buriat Colonel, appeared in the mouth of the ravine leading out of Bogda-ol directly behind Bogda Khan's place, rushed his Chinese guard, killed 150 of them and routed the rest. They put Bogda Khan on a horse and retired as rapidly as they came. The entire action consumed exactly one half hour and was the prettiest piece of cavalry work that one could desire to witness. This added to the panic which was seizing the Chinese and that afternoon Chu Chi-hsiang, Chen Yi and the rest of the higher officers decided to get away while they still had a chance and prepared cars to take them out to Kiakhta. The following morning they left at daybreak, just in time to save their skins in the most approved Chinese military manner and will probably be made Field Marshals for their skill and bravery in retreating. Around noon on the 1st. the gun fire ceased save for desultory shooting now and then to keep the Chinese unhappy. Troops were riding madly all over the place but no looting to speak of occurred, probably because they were too frightened to think of it. The main body of troops stayed in Maimaicheng, totalling about four thousand, while probably one thousand was scattered over the rest of the town, the remainder either having been sent north to Barota or having gone in that direction anyway. It was evident that Baron Ungern and the Mongols were going to take the town and were only awaiting nightfall in order to get the cover of darkness in making their attack. The Chinese sent out no patrols and evidently made no contact with the attacking forces during the entire day and were quite in ignorance of the strength and position of their main force.

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Subject (Nation reported on.) (Index title as per index sheet.) (Subtitle.)

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On the morning of February 2nd I was awakened by a roar of machine gun and rifle in Maimaicheng and on looking out saw several houses in flames and could hear Chinese cavalry riding like mad toward West Urga. Bullets were flying about my house. In order to give you a good idea of what actually happened from then on I will repeat information which I secured from the Russian cossack colonel who was in command of the attack on Maimaicheng.

The attacking forces were in position over the brows of the hills to the northeast of Maimaicheng and to the direct north. A small detachment was in the rear of the hills on the eastern side of the Maotaching Valley. Their captain, his lieutenant, and two cossacks opened the fight in the following manner. There was a force of some 150 Chinese infantry posted on the Russian bridge over the Toola but their number was unknown to the cossacks. Therefore this captain and three men decided upon a reconnaissance before advancing and slid their ponies down a very steep ravine into the valley. Once down they realized that they could not get back so they decided to go ahead and see what they had gotten themselves into. As they approached the bridge they were fired upon in the dark. Instead of retreating they drew their pistols and charged the Chinese, shooting and yelling as only a cossack can. The Chinese never waited to see what was coming but dropped their rifles and ran back to Maimaicheng. The captain brought his troops out by the east road around the hills and hurried around to the north of Urga to try to intercept the retreat which he knew was imminent but arrived about one half hour too late to cut up the few Chinese who escaped to Barota.

In the meantime the Russian colonel with 50 cossacks invaded the old square behind Maimaicheng to the north, killed the sentry with a gun-butt, and finished 250 Chinese infantry who were asleep there. Then he charged Maimaicheng from the north, at the same time bringing his remaining cossacks and Mongols in from the east, set fire to two or three houses to get light and proceeded to rout the Chinese. The latter put up scarcely any fight at all. This colonel told me that he nearly fell off his horse laughing at them. They dropped their rifles, shed their fur coats, fell off their ponies, and scrambled for every rat hole in the town in an attempt to escape and were so panic striken that they had not sense enough to surrender. A few got away but over 2,500 Chinese were shot and cut down in the streets that morning.

During this action which continued until after daylight I received my delegation of Chinese troops. At just about daylight an officer and about twenty cossacks appeared in my back compound. Around the Russian concession there were a good many Chinese troops and these cossacks had been in a skirmish with them. They came into my place thinking it was a Chinese residence but as soon as they found out who we were, were most friendly and asked for tea which

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we gave them. They were out of ammunition and had to return to the foot of Bogda-ol where the ammunition supply was being held. As soon as they left the house the Chinese rushed down the gulley to the west and turned two machine guns loose on us. We took refuge from that fire by going into the cellar. No sooner were we underground than they rushed the house and either destroyed everything of value or carried it away with them. They took all the personal property of yourself and wife, and all of my own things, destroying what they had no use for. They also murdered my two Mongol servants and one of my cossacks and were yelling for the American man so there is no doubt but that they were after my scalp and I feel certain that I recognized of of their voices as that of one of General Chu's own drivers with whom as you know we have had considerable trouble. Shortly after this the cossacks returned and cleaned the Chinese out and at about 1 o' clock in the afternoon it was safe to cross the street to the Mongolor House where I took my people. The Mongolor had not been so badly treated - the Chinese not having time to do more than two or three thousand dollors worth of damage to it. They had however, a small gun on the hill to the north of the house and before the cossacks could get up there and take it away from them, they fired three shots into the roof, blowing it all to splinters but wounding nobody. They stopped long enough to murder more than twenty Russians near the center of the town.

Before noon the cossacks were in West Urga, the jail being the first place they made for. They liberated the prisoners - all of whom were Russian and Mongol political prisoners of the Chinese, General Chu having taken all the criminals into his so-called army. These people promptly secured rifles and joined the search for remaining Chinese troops. They wrecked the Frontier Bank, an institution especially abhorrent to them and took out everything of value in it. In West Urga I estimate the Chinese dead to be over 500.

During this occupation and afterward there was no looting of either Chinese or foreign firms worth speaking of and in each individual case when looting did occur the offenders were immediately hung. No sooner had the invaders taken possession than did they organize provost-guards that worked.

The Russians lost as a result of all this fighting exactly two dead and one hundred and twenty-two wounded, two of them of whom have since died. The Mongol losses were also very small. They took twenty French 75's from the Chinese and many machine guns. The entire stock of Chinese military stores which was very large was unharmed and very useful to the Mongols. In addition there were several caravans, totalling around fifteen hundred camels coming in by the west road, all of which the Russians and Mongols took from the Chinese with a loss of one man. These caravans were rich with ammunition, shells and all sorts of military stores.

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N. N. I. 96

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From X. Date March 30, 1921. Serial No. 212 (Commence new series each January first.) File No. 210-200 (Select proper number from O. N. I. index.)

Source of information

Subject (Nation reported on.) (Index title as per index sheet.) (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

I heard on the evening of the 2nd that the so-called Swiss, Albert Stephan, who had been captured by the cossacks at the time our own cars were intercepted and one captured to the north of Tuerin, details of which you have, was in captitity at Baron Ungern's headquarters in Maimaicheng. So on the morning of the 3rd I drove over there and found the Swiss in a comfortable room and being well treated. I asked for his delivery to me to take to my house and in the afternoon received him. I found Baron Ungern a very quiet, outspoken, pleasant gentleman and conversed with him in German for some time. Later that day he called upon me to ask about the whereabouts of Chen Yi whom he had known in the old days and for whom he displayed great concern. Naturally I knew no more than he did of his whereabouts although at the time there was a rumor rife among the Chinese to the effect that Chu had murdered him and knowing that gentleman's instincts very well I had some reason to credit the yarn. Later on I was able from information which may or may not have been of use to him and by taking an ordinarily civil attitude to this remarkable leader was able to secure the safety of a certain family of Jews who were suspected of having been Bolshevik sympathisers. On the afternoon of the 4th, three Charhars entered our then empty residence. We had them arrested and they were hung within an hour. The following day two more went in the same direction and that night three cossacks who had gotten drunk raided the office and bought themselves a hangman's noose. After that at my request we had a guard of the Baron's own bodyguard in the street about our own office and that of Anderson, Meyer & Co., Ltd.

During the 3rd and 4th there was considerable sniping about West Urga by a few Chinese soldiers who had failed to make their escape and who apparently had a violent dislike for either me or my motor car as I was repeatedly shot at coming and going, several times with Russian officers in my car. These people however were soon cleaned up and the town quieted.

Immediately Baron Ungern appointed the eight leading Russian merchants a Committee of Civil and Commercial affairs and turned the governing of the Russian civil population over to them. They established a white police force at once and at the same time the Mongols reopened the old Sangar Yamen and re-established their old police force. They also formed a provisional government under the Ja Khan Za Gegen to function until Bogda Khan's return on the 8th inst. at which time a council of princes was held and plans were commenced for the new permanent government.

The vernacular and foreign presses here have been publishing lies to the effect that the Chinese civilian population in Urga are all murdered. Nothing could be more criminally false. During the entire trouble the only people who murdered either Chinese or whites were the Chinese troops who did murder many poor coolies and merchants. Neither the Russians nor the Mongols are responsible for one single

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From X. Date March 30, 1921 Serial No. 212 (Commence new series each January first.) File No. 810-200 (Select proper number from O. N. I. index.)

Source of information

Subject (Nation reported on.) (Index title as per index sheet.) (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

instance of harm being done to either Chinese lives or property and the Chinese in Urga today are safer than they have been since Little Hsu and his bandit gang entered the place and furthermore they are as pleased as are the foreigners that the Chinese are out of the place for good. At the present time a lady can go unattended from one end of Urga to the other without the slightest danger of molestation or insult - the city being perfectly policed. The Chinese Chamber of Commerce offered Baron Ungern a tribute of $120,000. which he refused, stating that he had his own funds and had no desire to rob them.

Business reopened in Urga about the 5th and an order was passed to accept Russian Gold Coin Roubles at the rate of Mex.$3.50 for Rouble 5.00 coin, a most fair rate as can be seen. Everything requisitioned by the troops, either Russian or Mongol, is paid for at the market rate in gold. All the coolie labor in town has been placed under the control of the Chinese Chamber of Commerce. Anybody desiring labor requisitions through the Russian Civil Government, the head of which O.K.'s the requisition and passes it along to the head of the Chinese Chamber. He allots as many coolies as are desired and the employer has to pay the Mex.0.25 per day and rations.

The Mongols are mobilizing a large force, equipment for which they had concealed for a long time as you probably have heard and the Chinese very considerately brought up reserves of equipment so that they are wonderfully well equipped for an extended campaign if they are compelled to carry on the war for any length of time, - a thing which they are prepared for but do not wish. They have cleaned the Chinese completely out of the country as far south as Udde. They have wiped out the remainder of Chu's troops in Barota, they have cleaned Uliassuttai, Kobdos and the Urianhai. Kum Beis and the Manchuria road is clear. In China I am told that the foreign powers look upon the present Mongol government as a gang of bandits. If they are bandits then the present Chinese government ought to be sent to prison on murder charges, for they are the most law-abiding, sensible bandits on record. I have read that once upon a time George Washington was looked upon as a bandit also. I have also read in International Law that a revolution having once accomplished the desired end of overthrowing onegovernment and substituting another one, especially one acceptable to its people, that government is entitled to recognition by the powers of the world. I have also heard a great deal about a doctrine called the right of self-determination.

On the 15th of February the Provisional Mogol Government called upon me en masse. They stated that they had accomplishedtheir purpose. They had thrown out the Chinese who had absolutely no right there under the Kiakhta Convention of 1915 and were willing to call a halt if the Chinese would listen to reason. They asked me if I

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Source of information

Subject (Nation reported on.) (Index title as per index sheet.) (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

would be willing to undertake the trip to Harbin at their expense and under their protection, as far as the frontier, to attempt to enlist the aid of an American consular official in coming into Mongolia to observe the state of affairs and through his Legation to try to act as mediator between them and the Chinese. Warfare being no more pleasant to me than to anybody else I consented and on the 17th I left Urga in company with Mr. Kunhardt and a Mongol prince, under heavy escort, for Manchuria City which I reached on March 5th, proceeding to Harbin where we met.

Our business is at a temporary standstill in Urga. Our outstandings and cash make a large total and it is imperative that one of our representatives should return at once to take over from Mr. McLaughlin who should immediately come out with all the available cash he has on hand - this being possible through Manchuria City. An American official could do much toward stopping this war now should he go in, but whether he does or leaves it to others to do we should not let our interests drag there. There is no danger on the Manchuria road. There will be no opposition from the Chinese either in Harbin or to the north. There are no Chinese troops worth worrying over in Manchuria City and there is a Mongol outpost within twenty miles.

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ADDRESS OFFICIAL COMMUNICATIONS TO
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MIL. INTEL. DIV.
1021 2657-J-159
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MAR 23
WAR DEPARTMENT
27

DEPARTMENT OF STATE
WASHINGTON

In reply refer to
U-H 893.00/3756

March 21, 1921.

Brigadier General Dennis Nolan, U.S.A.,
Military Intelligence Division,
War Department,
Washington, D. C.

Dear General Nolan:

I enclose herewith a copy of despatch No. 139 from the American Consulate General at Hankow, China, dated January 12, concerning political conditions in Kansu.

Similar information is being transmitted to the Office of Naval Intelligence.

Very truly yours,

N. Hackley.

Enclosure:

From Hankow, China,
No. 139, January 12,
1921.

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OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
1921 MAR 23
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WAR DEPARTMENT

No. 139.

AMERICAN CONSULATE GENERAL,

Hankow, China, January 12, 1921.

Subject: Political Conditions in Kansu.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

In continuation of this Consulate General's despatch No. 136 of January 8, 1921, I have the honor to inform the Department that reports from Kansu appear to give the impression that General Tsai Chen-shun (蔡成勳) does not intend to assume his post as Tuchun of Kansu. It also looks doubtful as to whether or not General Chang Kwang-chien (張廣建) is going to obey the orders of the Peking Government to vacate his post, although he states that he is willing to hand over his duties to General Lu Hung-tao (陸洪濤). The four Mohammedan generals, Ma Tai (馬 驥), Ma Chi (馬 麒), Ma Shao-yun (馬少雲), and Ma Wu (馬 武) object to the transfer of their superior, General Ma Fu-hsiang (馬福祥) from Ninghsia (寧 夏) to Suiyuancheng (綏遠城), which transfer had been ordered by President Mandate. This transfer is considered to be a penalty rather than a promotion, and the Mohammedan leaders threaten to confiscate the property of General Chang Kwang-chien in retaliation for his plundering of Kansu during the past seven years.

Ma Fu-hsiang, the Mohammedan leader located at Ninghsia, desires that Chang Kwang-chien prolong his stay in

Kansu

Kansu until his accounts have been audited. It is apparent that the Mohammedans are more or less intent on getting rid of Chinese rule. The native Moslem Kansu army under various leaders greatly outnumbers the Chinese garrisons. Being loyal to General Ma and other Mohammedan leaders they are ready to fight General Chang's Chinese mercenaries at a minute's notice. As long as the old Ma An-liang mentioned in this Consulate General's despatch of December 24, 1920, was alive racial conflict due to his influence was prevented, but now that this influence has been removed it looks as if some sort of a clash between the Chinese and Mohammedans is bound to break out.

(60) Cont. Conditions in Kansu Province

Whether or not the Central Government realizes that fact it would appear that Kansu at the present moment is in a state of open rebellion against the Central Government's authority. The Moslems are rapidly placing themselves under the leadership of their chiefs whom they consider the rightful administrators of the country.

For more details see Secured: Amer Consul Hankow 1/12/21. 2657-S-159

A powerful Moslem leader by the name of Ma Shan-ren R.S. (馬山人) with headquarters at Chang Chia Chuan (張家庄) has been exciting the Mohammedans of that section. He was a very important religious leader of one of the Mohammedan sects - a sort of pope - and his adherents are found all over the province as well as in Sinkiang (新疆). When travelling about the province his followers kowtowed to him all along the road side. He was apparently in the pay of Ma Fu-hsiang and had collected a large number of Mohammedans under arms with a view to stir up trouble. On the night of December 16, 1920, Ma Shan-ren was in a cave in a mountain - a rendezvous which he maintained for his followers. That night the earthquake caused the collapse of this cave and he

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and many of his followers were killed. The Chinese consider this a good omen as he was assembling a large army of Mohammedans to rebel against Chinese authority. What the outcome will be since this particular leader has been killed is hard to say.

It is not known definitely how many Chinese troops Chang Kwang-chien has at Lanchow, but he apparently has his rear protected in case he desires to retreat by Pingliang (平涼) into Shensi. A Chinese general, Lu Hung-tao (陸洪濤), is located at Pingliang with a strong detachment of Chinese troops. General Lu, while not caring very much for the present Tuchun Chang, desires to see him retain office in preference to seeing a Mohammedan appointed to that position. General Lu has telegraphed Peking several times warning them against Ma Fu-hsiang's appointment as Tuchun. He stated that if Ma Fu-hsiang is appointed he will fight not only Ma Fu-hsiang but Peking as well if it is necessary. General Lu is considered to be a very peace-loving man and has a good reputation among the local people in that vicinity. It is stated that the people of Lanchow and other large cities desire him to become Tuchun, but he claims that he does not care for this position. General Lu is very favorably disposed toward foreigners and especially toward Americans. He requested this Consulate, through an American missionary, to point out the danger to the Peking authorities that would result from appointing a Mohammedan as the governor of Kansu.

At a place about two days' journey west of Pingliang, near the Lungkwan pass, a gathering of Mohammedans was said to be taking place with the object of advancing on Pingliang. General Lu sent a strong detachment to

disperse

disperse the gathering. The general appears to be very alert and is taking no chances. He maintains an arsenal at Pingliang. Some spies belonging to Ma Fu-hsiang recently came into Pingliang and attempted to bribe General Lu's men to turn against him. General Lu got wind of this affair and several of these men were secretly shot. General Lu has kept his district clear of brigands. He also has a detachment of troops on the borders of Shensi in order to prevent any of the robbers from that province debouching into Kansu.

At Kweining Hsien (會 寧), about five days' journey west of Pingliang, a band of two thousand robbers are pillaging the country in that vicinity. These robbers are a band of displeased farmers whose one object is to revenge themselves upon the officials in that locality. It would appear that General Chang's satellites have bled the people to the point of exhaustion. One of the objects of this band is said to be the re-establishment of the monarchy. The members evidently belong to the Elder Brother Society (哥 老 會) which is very strong in this part of the province. This band does not bother the people but is intent upon retaliating against the officials. One of the local customs men had his right hand cut off.

Nearly every city in Kansu sufferred from the earthquake. In Pingliang the number of deaths amounted to about two thousand. In the mountainous districts avalanches occurred which buried towns and hamlets as well as many cave dwellers. Kuyuan (固 原), north west of Pingliang, suffered very heavily, nearly every house in that city being destroyed. Tsingningchow (靜 寧 州) had a death list of one thousand within the city, not counting

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the casualties in the outlying districts. Hweining Hsien was half buried and other villages in this vicinity were totally obliterated. The earthquake in Kansu apparently had a very disastrous effect. The casualties in this province must have numbered thousands.

In view of the situation in this province this Consulate General has requested the Tuchun to take special precautions regarding the safety of the American missionaries resident therein. There are forty-one American
1/ citizens in Kansu. A copy of this office's latest despatch, dated January 11, 1921, to the Kansu authorities is enclosed.

I have the honor to be, Sir,

Your obedient servant,

J. C. Huston

Vice Consul in Charge.

Enclosure:

1 Copy of despatch to Military Governor of Kansu, January 11, 1921.

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Hu:C

(In quintuplicate)

1 Copy sent to the Legation in Peking.

A true copy of the signed original.

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AMERICAN LEGATION
OFFICE OF THE MILITARY ATTACHE
PEKING.

OFFICE CHIEF OF STAFF
2657-D-160
2
JUL 20
DEPARTMENT

2821

May 26, 1921.

From : The Military Attache, Peking, China.

To : The Director, Military Intelligence Division, Washington, D. C.

Subject: Bolshevism in China.

REC'D M.I.D., G.S. JUL 13 1921

1. Further comment is made on this subject in compliance with your letter of April 1, 1921 (M.I.5-1) #2657-1-160.

2. The materiel for previous reports on this subject were submitted or prepared by men of such high qualifications, extended experience, unusual opportunities for observation and splendid background of information that it would be difficult indeed for me to improve on the work.

3. A digest of the opinions of these men -- and they continue to adhere to these opinions -- follows:

That there may be and probably are some Bolshevik propagandists in China but none have been found or actually verified as being agents of the Soviet Government; their connection with the Soviet Government is purely a matter of conjecture. What propagandists there may be certainly have nothing to do with the general tone and temper of radical thought in the Country.

4. If the movement were particularly dangerous, it would not be of much matter whether it was inspired or directed from Russia or not. As a matter of fact it is the effervescence of school boys, being intellectual and emotional rather than practical.

5. Radical thought has been accentuated in consequence of the war but it has been an accompaniment of the new movement for twenty years.

6. Farmers are still highly conservative and they form ninety percent of the population.

6. Industrialism is only just beginning and as yet is confined to Shanghai and about half a dozen other centres. Outside of these few cities there is no discontented "proletariat" to appeal to. In these cities unions are being formed, etc., but the men are mostly interested in their wages. They have not the remotest idea of communism.

7. The whole social and economic background of Bolshevism is lacking.

8. In Europe it is obvious that these conditions are different and that the European States are in actual and real danger from the spread of communistic ideas and from the agents of Russian Bolshevism. To the European Government it is an extremely dangerous threat and one that causes them great concern. This concern is evidenced in their propaganda and official action. The French Legation here withdrew its support from the "Journal de Pekin" simply becsuse the editor of the paper was friendly with Yourin, the head of the Chita Government's mission in Peking. This paper, as all of the leading papers in China, prints news issued by the Russian "Delta" and "Rosta" news agencies.

9. The "Journal de Pekin" has never printed matter favoring Communism or advocating revolution. The French Government refuses to permit their people to have any intercourse whatever, unofficial or otherwise, with Russians, other than the very small number of Reactionaries.

10. The European Governments are making every effort possible to prevent intercourse with Russia and their propaganda even in China, or especially in China, has that particularly in view. European officials look with deep concern on the growing strength of the de facto government of Russia, but seem to fail to take into consideration, or at least refuse to comment on the gradual but sure modification of the political doctrines practiced in Russia.

11. The feelings of the best informed Americans here, however, is that the present Government in Russia is just about as good as is possible in Russia now but that by resuming trade with Russia the requirements of trade would impose such conditions and responsibilities on the Russian Government and people that a modification of the political doctrines practiced by the Soviet would be required to meet the new conditions. A revolution in Russia would tend to prevent the evolution of of a proper government and continue the period of disorder indefinitely.

12. Reactionary Russians obviously do everything in their power to discredit, rightly or wrongly, the Soviet Administration in order to prevent the growing tendency to resume trade with Russia.

13. Instead of advancing logical reasons for refraining from intercourse with Russia and adhering to facts in their statements regarding conditions there, they resort to misstatements, and misinterpretations and exagerations, which gets them no where but makes it more difficult to arrive at the truth.

14. Their main effort is to emphasize the dangers to the rest of the world from the Bolsheviki and they usually resort to statements that are strangely and wonderfully distorted. No where has this distortion of facts been more noticeable and the number of fantastic stories been greater than at Harbin.

15. We know of one American at Harbin, formerly intimately associated with Seminoff, who lends himself (unintentionally or otherwise) to these fantastic and distorted statements. This American is a Mr. Cole, formerly an

/agent

agent of our information Department in Siberia. He frequently gives us information which we are glad to receive but the background from which he works is inadequate and his conclusions from such information as he receives is practically worthless. He lends himself to the merest rumour which he immediately gives out as facts without any attempt at verification. It is positively dangerous to accept at its face value information of this sort and I am concerned lest M. I. D. is relying too much on such sources of information as have not been sifted through this Office.

16. In the Weekly Situation Survey #169, for week ending March 30, 1921, we read of a train from Moscow reaching Habarovsk via Chita bringing several hundred trained communist agitators who had been detailed by the Soviet Government to carry on Bolshevist propaganda in China, and that Reds in the Far East maintain that there were over 3000 fully trained bolshevist agitators now in China and that others were being sent to Japan, Korea.

17. I consulted with the former Military Attache of the Russian Legation regarding this report. Colonel Tatarinoff, the former Military Attache and probably the best informed Russian in China, in these matters, stated that the report was not deserving of consideration. We had noticed such reports in the reactionary papers at Harbin but Colonel Tatarinoff and I agreed that the report was a deliberate attempt on the part of interested parties to prevent China continuing negotiations with Chita and that there was no foundation of fact in the statement.

18. By consulting a map of Siberia or North China it is evident that Chinese agitators intended for work in China would never be sent to Habarovsk. It would be a simple matter for Chinese agents to cross the Manchurian frontier between Chita and Harbin but via Habarovsk they would be forced to pass through Japanese controlled Districts, a thing they would obviously avoid.

19. Colonel Tatarinoff stated that the Soviet Government was discharging all Chinese formerly employed in the Russian Army, and permitting them to return to China. Some of these Chinese along with Chinese formerly with the French and British Armies are now returning home.

20. All of these returned Chinese, particularly the ones returning from France, have a new outlook on life, are demanding higher wages and better working conditions but are not in the least concerned in the practice of communism and most of them have not the slightest conception what Communism means.

21. Of course, when these coolies return to China the hysterical and uninformed people immediately call them Bolshevist or Bolshevist agitators, or paid agents of the Soviet Government.

22. It is even possible that some of them may be communist agitators but it is certain that they are having very little influence on the general tone and temper of the radical thought in the Country or in spreading communistic ideas among the masses of Chinese.

23. I received information from the Military Attache at Tokyo that through European sources he had been informed that "Tchang-Tze-ling was busily engaged in raising an army of 100,000 men in Manchuria for eventual German of Soviet use. This is typical of the absolutely groundless reports that originate in Manchuria. The report is unbelievably inaccurate and makes one wonder

that any European source would resort to such misleading and sensational propaganda. They story seems too wild to refute but it indicates that the information comes from sources that are either not familiar with political or military affairs in North China or that they are deliberately attempting to deceive.

24. This method was resorted to by the interests opposed to the negotiations between the Chinese Foreign Office and Mr. Yourin, the Representative of the Chita Government, in order to prevent resumption of trade between China and Russia.

25. To resort to such obvious misrepresentation to frighten the Chinese is an indication of the extent and nature of the propaganda of the Press and otherwise that we must consider here in getting the truth.

26. I believe that the report regarding China in "Situation Survey" for the week ending March 30 is a misleading statement issued as propaganda and intended to deceive and that our officials at Washington would not get the best information available if such information is printed in so serious a document as our Weekly Survey.

27. I have again consulted with Dr. Hornbeck who has recently made extensive journeys in China; with Dr. Dewey who has recently returned from Canton, Shanghai, Nanking, Etc.; with Mr. Morgan Palmer of Manchuria, resident in China of over ten years and associated with the Chinese Salt Administration; with Mr. T. K. Millard, expert on Far Eastern Affairs; with Colonel Tatarinoff, formerly Military Attache of the Russian Legation; with Mr. Roger Green, formerly in the United States Consular Service in China and Siberia and with numerous others.

28. All these continue to believe that there is no danger to China from Bolshevik agitators and that China would seem justified in resuming trade with Russia and that so far as the conditions here are concerned or the reaction here can be judged, there would be no effect unfavorable to the United States by such a policy, if adopted by China.

29. Unrest in China in the opinion of all of these men has nothing whatever to do with Bolshevik agitation. Its main object is to rid China of its inefficient and ignorant officials and substitute therefor capable and efficient administration.

W. S. Drysdale

W. S. Drysdale,
Major, General Staff,
Military Attache.

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AMERICAN LEGATION
OFFICE OF THE MILITARY ATTACHE
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SECRET.

February 18, 1921.

M. I. 2.

M.I.9

From : The Military Attache, Peking.

To : The Director of Military Intelligence Division, Washington, D. C.

Subject: Report Number 2744.

REC'D M.I.D., G.S. MAR 31 1921

1. Attention is called to the enclosed report, No. 2744, which is believed of interest to War Plans Division.

2. It is not to be considered as a study on the subject of war between Japan and America but merely as outlining briefly the opinions of the Military Attache, his assistants and Major Eichelberger, former Chief of Intelligence of the Siberian Expedition.

3. Although not a study, this matter was given very careful and serious consideration and is the expression of opinion of officers with several years of experience in the Far East in positions giving unusual facilities for proper observation and study.

4. The material in this report would be of value to the Monograph.

W. S. Drysdale

W. S. Drysdale,
Major, U.S. Infantry,
Military Attache.

SECRET.

SUBJECT Estimate of the Political Situation in the Far East and Considerations affecting the China Expedition in Case of War.
- SERVICE REPORT -

From China.

No. 2744 Date February 17, 1921., 19

Replying to No. Date REC'D M.I.D., G.S. MAR 31 1921, 19

The Mission of the troops of the China Expedition grows out of the Boxer trouble of 1900, and consists, in conjunction with the troops of certain other Powers, in insuring that railway communication be kept open between Peking and the Sea.

In case of War between the United States and Japan, the above mentioned Mission may be considered at an end.

In order to reach proper conclusions regarding the strength of the United States troops in China and what orders should be issued for their course of action upon receipt of information that hostilities have been opened we must consider briefly the political situation in China and the Far East:

The Central Government of China has practically no authority outside of the City of Peking, except that gained through the fact that the great foreign powers, with the exception of Japan, have refused to deal directly with individual leaders. The real power throughout the provinces is wielded by the various Tuchuns or Military Governors -- these leaders levy taxes, raise armies, force contributions from cities, and in general oppress the masses. They either give but a nominal allegiance to the Central Government or claim actual independence.

Neither the Peking nor the Canton Government in any sense of the term could control the masses of the Chinese people or the military organizations in China. The War Department as such exercises practically no control over the Chinese tactical units. The Chinese Divisions, Mixed Brigades and Brigades, provincial or national, are all commanded by individuals who recognize no one as their superior as we would conceive a superior to be. These commanders refuse at will to carry out instructions from Peking and retain their positions due to political intrigue and the force of the troops under their control. There is no organization which brings together under one head the tactical units in China or their sources of supply in food, clothing or ordinance. There is no Chinese staff which is able to plan military operations on a large scale or perform the actual duties expected of a staff of a large command.

In the South, Dr. Sun Yat Sen and other Southern leaders have set up an independent government at Canton. Some of the Southern provinces have joined this movement, others have proclaimed neutrality. The fact cannot be disputed that the Central Government has not sufficient strength to force adherence to its orders.

In the North, General Chang Tso-lin is practically a dictator. With a hundred thousand troops upon whom he can rely and much reserve equipment; with his troops trained in Japanese methods of warfare; with the prestige gained by the fact that Japan conducts many of her negotiations with him direct rather than with the Central Government, there is no other leader who can at present dispute his position. General Chang, through the pressure of Japanese troops in his province is so under Japanese control that he could not be expected to make any attempt to prevent Japanese in securing supplies at will.

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SUBJECT Estimate of the Political Situation in the Far East

and considerations affecting the China Expedition in case of War.

SERVICE REPORT - Page 2.

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In Tientsin the Italians, French, British and Japanese have been granted concessions by the Chinese - these concessions are completely out of the jurisdiction of the Chinese and may be considered as though actual territory of the respective Powers.

Chinese are more friendly to Americans than to other foreigners -- a better way to put it would be to say that Chinese are less unfriendly to Americans than they are to other foreigners. The Chinese have an intense dislike for Japan and the Japanese, but at the same time they fear the Japanese as an extremely powerful and energetic neighbor. The Chinese are constantly subdued by the proximity of the powerful Japanese military organizations which are constantly on the alert to do the bidding of their Japanese masters. China would certainly not join America as an Ally in a war against Japan unless American operations had progressed to the point where the Chinese believed American success certain.

Supplies and munitions of war and food could constantly reach Japan from Russia and European Countries via the Siberian Railways even after American fleets controlled the Pacific and oriental waters. When American Naval operations had progressed to the point of landing American troops in China proper diplomatic pressure might bring China into the War as our Ally, but China could give efficient assistance only provided that American officers were sent to China to organize and control their staff.

With China neutral, Japan would still expect to receive all kinds of supplies from China, including such munitions of war as can be produced in this Country. Even with China as an ally of Japan, an improbable supposition, it is not to be supposed that China could furnish organized belligerent units whether military or naval, which would be of much use to the Japanese. Her aid to Japan in any case would be almost entirely in furnishing foodstuffs and war material which could be rendered just as well as a neutral as if China should become an active ally of Japan.

The Chinese people are quick to react against acts which will tend to humiliate them. Care should be taken not to offend the Chinese and a carefully prepared and wide spread propaganda should make capital out of past Japanese agressions.

Most of the soldiers in China today are merely coolies in uniform. Given proper training and equipment and a motive for which to fight the Chinese would probably make very good soldiers.

GENERAL CONDITIONS IN SIBERIA.

Japanese troops entered Siberia in 1918 as an ally of the American troops after giving a solemn promise to the world that after certain definite aims, such as the evacuation of the Czecho-Slovaks, had been effected that the Japanese troops would be withdrawn. Notwithstanding that Japan had announced that she would not interfere in the internal affairs of the Russians she immediately started raising and supplying murderous

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bands of Cossack adventurers with the distinct object of preventing the formation of a strong Siberia under Admiral Kolchak whom they considered unfriendly to Japanese designs in Siberia. While doing everything possible to prevent the formation of a united Siberia the Japanese hirelings were ostensibly engaged in combatting bolshevism. One of the Cossack commanders, Atamen Semenov, was responsible for the execution of thousands of Russians without trial in the Chita District. Official records of the American troops at Verinie Udinsk, near Chita, will show that the incredible number of 50,000 Russians, men, women and children, were put to death by the Semenoff bands in one year. For these acts the Russians hold the Japanese directly responsible because, except for Japanese assistance in money, munitions and the physical presence of Japanese troops, Semenoff would have been at once driven out of the Chita District. The methods of the Japanese and their Cossack hirelings were so unspeakably cruel and inhumane that the entire Russian population was forced to combine against them which resulted in a combination of radicals and moderates against these murdering bands representing Japanese interference in Russian affairs. In other words, the Japanese are to a great degree responsible for the Bolshevism that they now say they must stay in Siberia to combat, in that their conduct forced the Siberian peasants to take up arms and to eventually ally themselves with Soviet Russia.

After the withdrawal of the American forces in April, 1920, the Japanese siezed the maritime provinces of Siberia, including Northern Sakalin. In the fall of 1920 the Japanese abandoned the Za Baikal and Amur Provinces whereupon the Far Eastern Republic established their headquarters at Chita. The Far Eastern Republic has the consent of the Moscow Soviet to establish a bourgeoise democratic government in Siberia. This Government, while strongly Communistic, has democratic tendencies and controls all of Siberia east of Lake Baikal not actually occupied by the Japanese. The retention of Japanese troops in Eastern Siberia has resulted in a hatred of the Japanese by the Russians, which is universal. With very little encouragement the Russians of Eastern Siberia would gladly begin military operations against the Japanese and would be certain to do so if they felt America would be their ally in a war between Japan and America. The Far Eastern Republic has issued orders of mobilization requiring all able-bodied males between the ages of eighteen and thirty to report for military duty. They have mobilized about 45,000 Russian troops at Habarosk with strong detachments at Blagoveshchensk and at Dauria, north of Manchuria Station. The Far Eastern Republic could rely on the support of European Russia in case of trouble with Japan. The resources of European Russia in men and supplies is known better to the General Staff than to this Office, but it is certain that the Russians as a whole are our most powerful potential ally in the world today in case of war with Japan.

GENERAL CONDITIONS IN KOREA.

Japanese oppressive methods in governing Korea have culminated in the formation of a Korean Independence Party which would be quick to avail itself of an opportunity of throwing off the yoke of Japan. The Korean Independence Party, controlling over a million dissatisfied Koreans living in Eastern Siberia and Manchuria, could offer very little in the way of assistance with organized military units but their operations as guerillas

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in interferring with transportation of supplies to Japan would be invaluable. They could be counted upon to work in conjunction with the Russian Troops against the Japanese.

JAPANESE TROOPS ON THE CONTINENT AND CONDITIONS AFFECTING THEM.

A: In Siberia.

On a line extending from America Bay through Nikolsk to Possiet Bay there is an expeditionary force of about 30,000 troops. There is one Brigade headquarters, one Regimental headquarters and one battalion at Harbin with small detachments at other points on the Chinese Eastern Railway between Harbin and Pogranniznaya.

B: Along the Railway.

The 16th Japanese Division is garrisoned along the South Manchurian Railway between Changchun and Antung. Strength approximately 12,000 men.

C: In Korea.

In Korea Japan maintains a force of at least two divisions in addition to a large force of gendarmes.

D: At Tientsin.

In Tientsin they maintain a force of about 1,000 men. These troops may be augmented overnight by trained reservists living in the Japanese concession at Tientsin. Small detachments of Japanese troops with headquarters at Tientsin are stationed at Chinwantao and at several stations between Tientsin and Chinwantao.

E: At Tsingtao.

At Tsingtao and along the Railway leading to Tsinanfu, the capital of Shantung Province, there is a Japanese garrison of approximately 2,500 troops.

F: At Hankow.

The Japanese maintain a garrison of one battalion at Hankow. These troops could be expected to protect the Hang Yeh Ping Iron Works, the entire output of which is pledged Japan.

G: At Peking.

At Peking they maintain a Legation Guard of about 200 infantrymen.

Chinese foodstuffs and certain of her raw materials would in the present stage of Asiatic development be indispensable to Japan since she could feed neither her armies nor her population nor keep up the manufacture of munitions of war without them.

In the event of war the mission of the Japanese troops

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on the continent would be to insure the safety of communications leading to Dairen, Vladivostok, Korea and Tsingtao in order that the war material and foodstuffs so vital to Japan could reach these points of shipment. The Japanese could not depend for support upon the troops of any nation. Some individual Chinese leaders such as Chang Tso-lin might attempt in the early stages of the war to render assistance to the Japanese. This aid would probably consist only in a careful guarding of the railway lines leading to Dairen, Korea and Tsingtao. Other Chinese leaders, such as General Wu Pei Fu, might be induced to assist the United States. South China particularly would render America every possible assistance.

The Japanese troops now in China are in their present garrisons by right of treaty or agreement between Japan and China and would probably be unmolested even in the event of a war between Japan and America. This Japanese force seems sufficient to guarantee for the Japanese the rapid and safe transportation of their supplies along the railways which these troops are protecting, particularly over the Shantung and South Manchurian railways.

After a declaration of war diplomatic pressure could be brought to bear on the Chinese Government to cause these Japanese troops to be either withdrawn or interned, in which case such American troops as may be in China would also be forced to withdraw or to be interned.

PROBABLE JAPANESE PLANS.

1. The Japanese would immediately place at the disposal of their agents in China vast sums for the purchase of supplies, for propaganda, for the bribery of officials, and for the interruption of wireless, cable, mail and shipping communications to America.

2. In case the Japanese had reason to believe that American troops were to be landed in China they would reasonably be expected to land Japanese troops for the purpose of preventing the landing or subsequent operations of the American troops. It would seem a logical plan for the Japanese General Staff to make certain the procurement of supplies in China and to lessen proportionately the demands on such supplies as they may have in Japan.

To carry out these plans or any of them the Japanese could scarcely be expected to withdraw any of their troops now in China; such troops would be subject to internment, however, by the Chinese Government along with such American troops as may also be in China. During the World War, China, while a neutral, made no attempt to intern combatant troops of the belligerent nations stationed in China. Diplomatic precedent would therefore not require China to attempt to intern Japanese troops. China, in addition, would probably not be physically able to intern Japanese troops in Tsingtao and Manchuria. Japan might permit such troops as are now garrisoned in China to remain at their present strength and location with the idea that in the early stages of the war at least these troops would be sufficient to safeguard their supplies here.

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SUBJECT Estimate of the Political Situation in the Far East and considerations affecting the China Expedition in case of War.

- SERVICE REPORT - Page 6.

From China

No. 2744 Date February 17, 1921.

Replying to No. Date

THE MISSION OF AMERICAN TROOPS IN CHINA.

Without considering our agreement to insure the railway communications between Peking and the Sea in conjunction with the troops of other powers the mission of American troops in case of war between Japan and the United States would seem to be:

1. To prevent supplies from China reaching Japan.

2. To assist in the landing and subsequent operations of American troops in China.

The accomplishment of this Mission could not reasonably be expected of any American command which should happen to be quartered in China at the outbreak of hostilities. Should our troops attack Japanese garrisons, sieze Japanese supplies or interfere with railway or other communications in China, it would be a violation of Chinese neutrality which would certainly result in vigorous diplomatic protests from the Chinese Government and the Japanese Government. The moral affect for America would be bad. Such troops as we now have in China could scarcely be expected to operate successfully against Japanese troops in China. Japanese troops could easily be reinforced by detachments from Korea or Japan and American troops would eventually be forced to withdraw or surrender. We would gain nothing in operations and lose considerable prestige. The number of American troops could now be increased or decreased at the option of the American authorities but of course such increase or decrease must be reasonably justified by the actual necessity for the troops and by the terms of the International Agreement providing for their use. We have now more troops along the railway than any other foreign power. To increase this number would scarcely be justified by the requirement for protection of foreigners and, furthermore, any attempt to increase the number would draw protests from the Chinese and Japanese Governments and we would be embarrassed in attempting to justify such action. Such an attempt would be regarded with suspicion by the Japanese, who, of course, would feel justified in increasing their own troops and in making vigorous protests. Our troops now in China could be withdrawn entirely or in part before a declaration of war. If withdrawal is contemplated at all it should be effected now rather than attempted after a declaration of war. The number of our troops could at present be decreased to less than one battalion and the United States would still be complying with her obligations in assisting to guard the railway from Peking to the sea. One is forced to the conclusion that such troops as we may have in China at the outbreak of hostilities should observe China's neutrality. The moral effect of violating Chinese neutrality would far outweigh any material assistance in our war operations against Japan, hence any troops we may retain in China would be of no assistance to us whatever in operations.

It is true that the presence of American troops, if not interned, in China would have a certain favorable moral effect. In the event of China entering the war on the side of the United States our China Expedition would be of value if serving as the neucleus of a Chinese Combatant force. It is extremely improbable, however, that China would join forces with the United States in the early stages of the War and such use of our troops could be prevented by the Japanese, who would have ample warning of China's intentions through her perfect intelligence system in China. In such an event, the Japanese would physically prevent our troops from joining any Chinese organizations.

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- SERVICE REPORT - Page 7.

From China.

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RECOMMENDATIONS.

To withdraw immediately all American troops from China except one Company at war strength composed of carefully selected officers and enlisted men with a Major for commanding officer; these troops to be garrisoned at Tientsin. In case of war these troops to be ordered to remain in their present stations and to observe China's neutrality but that in case they are forced by circumstances to withdraw that they retire to the American Legation at Peking to increase the guard there and to render every assistance to the Military Attache in whatever duty he may be authorized to undertake.

In the above discussion only United States Army troops were considered and no mention is made of a marine detachment acting as guard for the American Legation at Peking. In the event of War and acting under present orders and instructions we would be operating under the unusual, embarrassing, confusing and dangerous condition of having two separate bodies of troops with separate commands, separate sources of supply and different orders. This may lead to serious results. It is suggested that it would be advisable to replace the Marine detachment at Peking with one company of American infantry at war strength making the total expeditionary force two companies at war strength; one company with headquarters at Tientsin, the other acting as Legation guard. The headquarters of the command should by all means be at Tientsin, where every other guard maintains its headquarters. Every other nation maintaining troops in China as a guard for the Legation and for a Railway guard between Peking and the sea have unity of command with headquarters at Tientsin. The difficulties of a dual command are too obvious to mention. During the fighting in July between General Wu Pei Fu and the Anfu leaders there was a rather embarrassing situation for both the Army and the Marine commanding officers.

We should either withdraw the Army contingent completely or permit the Army to take over the entire responsibility of guarding the Legation and the Railway in accordance with the international agreement.

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ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON, D. C.

Vernl.

OFFICE CHIEF OF STAFF
MIL. INTELL. DIV.

1921 2657-D-167

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WAR DEPARTMENT

227

DEPARTMENT OF STATE
WASHINGTON

In reply refer to
U-H 893/00/3869

June 16, 1921

NOTED M. I. 2
JUN 22 1921

M. I. 2

Dear General Nolan:

I enclose herewith copies of two reports on political conditions in the consular district, which were transmitted to this Department from a reliable source in Canton, China, under dates of ~~May~~ April 6th and 20th.

These are for your information and as being of possible interest.

Very truly yours,

W. Hurley.

Enclosures:

Reports (2)

Brigadier General Dennis Nolan, U.S.A.,
Military Intelligence Division,
War Department.

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RECORD SECTION
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OFFICIAL MIL. INTEL. DIV.
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WAR DEPARTMENT

Encl 2

248.

Canton, China, April 6, 1921.

Political Conditions in the Canton Consular District.

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

I have the honor to report on political conditions in this consular district up to the present date.

The political situation in Canton seems to be moving rapidly toward a crisis. A three cornered struggle over the question of the election of a president has been going on. One group, headed by Dr. Sun Yat-sen, are in favor of calling the remnants of the 1915 Parliament, of which they claim there are 378 members now in Canton, in extraordinary session for the election of a president; another group, in which the Civil Governor, Ch'en Ch'iung Ming, figures prominently, believe in the election of a president but think that it should not be done unless an actual quorum, 492, of the Parliament is obtained; while the third group, which I believe Tang Shao-yi supports, at least discreetly, do not believe that the time is ripe for the election of a president at all. It begins to look as if the party in favor of the election in extraordinary session is winning out. Heretofore, the consciousness of the

necessity

necessity of union and harmony has kept the various groups working together but the very current belief in Kwangtung that the Kwangsi militarists are preparing to attack Kwangtung and the downfall of General Tang Chi-yao in Yunnan have added strength to those who favor drastic action for the carrying out of the Constitutionalist program.

I have inquired carefully of the different groups of leaders in Canton with regard to their reasons for the positions they have taken. The Sun Yat-sen group say this : North China is on the point of political disintegration. General Chang Tso-lin is planning a Monarchical Restoration in Peking or Manchuria where he will set up a monarchy with either the Boy Emperor or Prince K'ung as Emperor. In the opinion of Dr. Sun and his supporters the defection of Mongolia is a part of this move and was deliberately planned by General Chang Tso-lin who hoped to do one of two things; either compel his rival, Tê'ao K'un to so weaken himself by an expedition to recapture Mongolia that Chang Tso-lin could accomplish his Monarchical coup d'etat in Peking; or, failing that, to set up his monarchy in Mukden and incorporate Manchuria and Mongolia into his new state. Sun's party maintain that Chang Tso-lin will fail in either event and also in either case the present Northern Government -- Parliament and President -- will collapse and flee from Peking. When this happens Dr. Sun insists that the provinces will be forced to look

for

for some other political nucleus around which to gather; that if the Constitutionalists have a president and a parliament functioning the provinces will certainly espouse their cause while otherwise the victorious militarists in North China will again set up another bogus parliament and elect another bogus president.

The second group above referred to believe that even though the Constitution provides for extraordinary sessions of Parliament wherein only fourteen provinces need be represented any act of such parliament would be actually non-representative and therefore no extraordinary session of parliament should decide such an important question as the election of a president. They believe that if a quorum can be secured then parliament would be unquestionably justified in electing a president, if it so desired, as provided by the Constitution.

The slogan of the third group might be summed up in the slang phrase, "Sit tight". They believe that the strength of the Constitutionalist Cause heretofore has been their adherence to strict Constitutionalism and their insistence on the continuance and perpetuation of the Chinese Constitution as originally adopted. This group feel that if Kwangtung province can be allowed to develop a strong, enlightened and efficient government the other provinces will eventually join Kwangtung. Meanwhile the continuity of the Revolution and of the Constitutionalist Cause will have been maintained.

As

As regards the possibility of hostilities between Kwangsi and Kwangtung, all groups are now inclined to believe that such is inevitable. I have received some very interesting reports from a number of different sources indicating a mobilization of Kwangsi troops near the border of Kwangtung. I have also been informed that munitions of war are being carried from Hongkong into Kwangsi by boats flying the British flag. General Ch'en Ch'iung Ming has assured me that so far as he is concerned not one of his soldiers will set foot off Kwangtung soil unless attacked. On the other hand Dr. Sun Yat-sen is reported as feeling strong enough to order an attack on Kwangsi and he believes that General Ch'en Ch'iung Ming will not dare to refuse his orders. Of course, with Kwangtung troops also stationed near the border it would be easy for either side to claim that the other committed the first overt act of hostilities. Dr. Sun Yat-sen told me in person that the Kwangsi expedition was necessary for two reasons; the first was self-protection and the second because with Kwangsi "freed from its military overlords" and back in the fold of the Constitutionalists, Yunnan, Hunan and Kweichow would be more definitely allied with Kwangtung.

In conclusion it may be said, by way of forecast, that the party demanding an election of a president for the Constitutionalist Government, whether by an extraordinary session or by a regular session of Parliament, will

probably

probably win out and that hostilities between Kwangtung and Kwangsi may be looked for in the near future, unless events in North China should develop more rapidly.

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
1921 2657-9-167
WAR DEPARTMENT

251.

Canton, China, April 20, 1921.

Political Conditions in the Canton Consular District.

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

I have the honor to report on political conditions in this consular district. This report should be read in connection with my despatch No. 248 of April 6, 1921.

Probably not for some time has the political situation in South China been more interesting or more fraught with serious possibilities affecting not only the South but of all China. In my telegrams of April 8, 1921, 10.00 a. m., to the Department and to the Legation I reported what I had prophesied in my despatch No. 248 of two days previous, the election by the remants of the so-called "Old Parliament" sitting in extraordinary session in Canton of Dr. Sun Yat-sen as President of the Republic of China. While anticipated, the actual consumation of this act came, I believe, as a general surprise and is commonly believed to have been premature. My understanding of the election is that the Parliamentarians met informally to decide whether they should convene as an extraordinary

session

session of the old parliament and, agreeing that they should so convene, they decided to do so at once; and finding on their agenda the one piece of business of paramount importance, namely, the election of a president, they proceeded to the election then and there. I understand that there were 225 members present and that 222 votes were cast for Dr. Sun Yat-sen, 2 for General Chen Ch'iung Ming and one unnamed.

Since the election I have either talked personally with or heard indirectly from most of the leaders in Canton. I believe there is no question but what Mr. Tang Shao-yi is genuinely disappointed and displeased. As I pointed out in my previous despatch above referred to, Mr. Tang has been one of the group of men who felt that the South should not, for the present, elect a president and that the safest road was along the line of a gradual accretion of power through the strengthening of the province of Kwangtung. I believe Mr. Tang Shao-yi will not take a part in the re-organized government for the time being at least. On the other hand I do not believe he will turn traitor to his former colleague.

I believe that Dr. Wu Ting-fang and his son, C. C. Wu, also disapproved of the election of a president at this time. They have come out, however, in support of Dr. Sun.

I believe that General Ch'en Ch'iung Ming, the civil governor, had contemplated the possibility of an election of a president and its probable effects thoroughly enough so

that

that he was the least surprised. General Ch'en, I believe, has always had a strong personal belief in Dr. Sun Yat-sen and in the cause of democracy which Dr. Sun undoubtedly represents. It is my belief that General Ch'en intends to give Dr. Sun a fair trial. That by no means implies that he intends to give up all his own power. Like most strong men, General Ch'en believes in himself and furthermore I am sure that he is a practical patriot. I think he will support Dr. Sun until and unless he is convinced that Dr. Sun's policy will injure Kwangtung.

Regarding the legality and propriety of a group of 222 men out of nearly one thousand who composed the old parliament electing a president for the whole of the country the representative concensus of opinion among Southern leaders seems to be this: Whether or not 222 out of 1,000 members of parliament could be said properly to represent the country, they were after all members of the only legally elected parliament in China; and therefore Dr. Sun's claim to the Presidency is the best approximation of Constitutionality that can be obtained in China. One man said frankly, "A quorum of the legal parliament could not be obtained. It was better to have a government functioning by the will of what was left of the only legal body of popular representatives in China than to agree to a recognition of a parliament and a president that had not been constitutionally constituted."

AS

As regards the possibility of another conflict between Kwangtung and Kwangsi, I believe that the physical proximity of the two bodies of opposing troops on the border will bring about a clash eventually, and that conflict will be proclaimed by each side as having been started by the other.

I feel that the future wellfare of South China depends upon whether Dr. Sun Yat-sen decides to take agressive action both internally in the Province of Kwangtung and externally vis-a-vis Kwangsi and the rest of China. I do not believe General Ch'en Ch'iung Ming intends to surrender much of his power in the Province. It is understood that as a tacit recognition of General Ch'en's actual control in the Province, Dr. Sun intends to appoint General Ch'en as Minister of Home and Military Affairs. General Ch'en, however, will probably insist on keeping control of the provincial finances through the appointment of one of his supporters as Minister of Finance. Tang Shao-yi, I understand has been offered this post and I believe would be acceptable to both men but as I reported earlier in this despatch I do not think Tang will accept any post for the present. It is significant that General Ch'en's present Provincial Commissioner of Finance is Mr. Liao Chung-k'ai (廖仲愷), an ardent supporter of Dr. Sun Yat-sen. It is rumored that Dr. Sun wishes Liao for the position of Minister of Finance, and as Ch'en had felt compelled to accept Liao for Provincial Commissioner he may not feel disposed to oppose his appointment as Minister of Finance.

In

In conclusion, the general concensus of opinion among persons friendly to the present political leaders in South China, both Chinese and foreign, would seem to be that if the Government, as reconstituted in South China, can devote its energies primarily to building up an efficient and upright administration and to promoting the economic development of the people of Kwangtung, it has a very good chance to become heir to the power over a much larger portion of China when the forces of disintegration elsewhere in China have accomplished their work.

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
1921 JUL 22
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WAR DEPARTMENT
M. I. 2.

POLITICAL EVENTS IN THE NANKING CONSULAR DISTRICT DURING THE YEAR 1920.

STRICTLY CONFIDENTIAL
FROM DEPARTMENT OF STATE
In replying refer to U-H 893.00/3894
Copies sent to MID
Date 7/19/21

From Consul, John K. Davis

Nanking, China, April 16, 1921.

In the Nanking Consular District the year 1920 was replete with stirring events. The movement to destroy the Anfu Party was to a great extent originated by the late Military Governor of Kiangsu, and while no actual fighting was done by his troops it was only because the logic of events rendered it unnecessary. The Military and Civil Governors were both removed from Kiangsu Province during the year, the former by death and the latter as a result of his having evidenced a turpitude abnormal even in present day China. The Military Governor of Anhwei was, by virtue of his allegiance to the Anfu Party, eliminated, and a number of lesser changes occurred among the officials of the two provinces. Japanese activities continued and although they were as heretofore characterized by lack of openness and fairness, circumstances combined to render them largely futile. While as a whole American interests received adequate protection from the officials, at least as compared with conditions in other sections of China, the districts along the Grand Canal in upper Kiangsu were infested during the summer months by hordes of unrestrained robbers which seriously interfered with American and European business. The American Congressional party visited Nanking for several days in mid-summer and was lavishly

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RECORD SECTION

lavishly dined and wined by the Chinese officials and by various peoples' societies. Progress throughout the district was confined to industrial and agricultural advancement which, while slight, was nevertheless worth while. The number of soldiers was increased and the burden of militarism upon the people grew in proportion. The civil administration of Kiangsu was improved as far as the governorship is concerned, but with one exception the lesser officers were not changed to any striking advantage. The functioning of the so-called reformed judiciary was such as render all claims for the abolition of extraterritoriality absurd as far as this section of China is concerned.

Consortium Canards: As a result of the purposely misleading accounts regarding the formation of the new consortium, which the Japanese government caused to appear in the press, the leading Chinese officials and citizens were greatly alarmed at what they believed was the desertion of China by the government of the United States. According to the first statements the American government had agreed to the unqualified exclusion of the whole of Manchuria and Mongolia from the scope of the Banking Consortium's activities, thereby leaving those territories to the unhindered exploitation of Japan, and further that the "special rights and privileges" of Japan in China had been recognized by the powers including the United States. While entirely without official information, this office unofficially informed the Chinese in Nanking that the United States had not abandoned its interest in or friendship to China and requested

them

them not to give undue credence to newspaper propaganda and calmly to await a full and authentic statement of the agreements.

Early in May the Japanese Consul in Nanking called upon all of the leading Chinese officials in turn and handed to each a memorandum, prepared by the Japanese Foreign Office and telegraphed to all Japanese Consulates in China, in which the formation of the new consortium was reviewed. In this memorandum it was made to appear that Japan was and had been giving the consortium scheme its full backing, and that now that the powers including the United States had agreed to recognize and safeguard the special position of Japan in China, the Japanese banking group had signed the agreement.

Student Demonstrations: Taken as a whole the year was remarkably free from anti-Japanese demonstrations. On February 3rd students representing 24 educational institutions in Nanking marched in parade as a protest against direct negotiations with Japan regarding Shantung and the treatment accorded the student demonstrators in Tientsin. The movement was orderly throughout and was not interferred with either by the officials or the police.

Anti-Anfu Movement: Early in the year this office was informally informed by Tuchun Li Shun through his advisers, that he was endeavoring to effect a combination including himself, the Tuchun of Chihli and the Tuchun of Fengtien, for the removal from power of the notorious Anfu Club. In April, May and June it was ascertained that he was steadily but quietly reorganizing and strengthening the forces under his command. Weak units were

increased

increased by selected recruits from Chihli, and even these units supposedly constituted of Kiangsu men only, were recruited to full strength by the addition of Chihli men. Especial attention was given to these units in and near Kuachowfu, in that narrow strip of Kiangsu which intervenes between Shantung and Anhwei, since occupation of the railway at this point prevented the possible union of Anhwei and Shantung. By peculiarly Chinese methods he also sought to undermine the loyalty to Tuchun Ni of certain portions of the Anhwei troops. Startled by the abnormal activity of the Kiangsu Tuchun, Tuchun Ni Sou-chung of Anhwei hurriedly concentrated his troops in and around the city of Pengpu on the Tientsin-Pukow Railway line and threw up earthwork defenses. Having taken these steps which he considered would make him safe against a surprise attack, he sent his son to Nanking to inquire the reasons for Li Shun's military preparations, and to endeavor to come to terms with him. Li, however, refused to make any promises that might prove embarrassing later on, and confined himself to the statement that both he and Ni Ssu-chung were of the Northern party and should have no differences, a statement which in the light of them existing conditions meant nothing. He did, however, send word to Ni that unless the Anhwei troops took unusual action Ni had nothing to fear from Kiangsu. He endeavored to enter into agreements with the Shantung and Chekiang Tuchuns that in the event of fighting in the north these officers should remain neutral. By this means he believed that he had succeeded in ensuring that in case fighting developed in the North, he could keep Anfu forces in Shantung and Chekiang to the

strength

strength of double his own out of the fight, and that without his own troops having to fire a shot. However, when events began to transpire with startling rapidity in Peking, with the President issuing mandates favoring one side on one day and favoring the other the next, especially when the Protection Commissioner at Shanghai was refused in rank, the Chekiang Tuchun, in spite of his agreement with Li Shun, decided to take action. During the first week in June, Li Shun's detectives informed him that General He Feng-lin (何豐林), the Defense Commissioner at Shanghai who is a subordinate of the Tuchun at Hangchow, was mobilizing his troops and planning a surprise attack along the Shanghai-Nanking Railway with Soochow as his first objective. Li Shun at once informed the Nanking consular body of this news and took prompt steps to checkmate the threatened attack. Still adhering to his plan of holding out of action numerically superior forces of the Anfu party without himself actually having to fight, he endeavored to stop General He's advance by means of stirring up Chinese and foreign public opinion which could be counted on to oppose any fighting in the lower Yangtze Valley. On the night of July 10th General He moved a considerable number of troops up the Shanghai-Nanking Railway to a point near Nansiang, and an infantry company under Li Shun which was stationed at the railway bridge at Nanli immediately took up several sections of rails and ties in order to prevent a rush being made by He's advance guard. These slight military steps were sufficient to throw both Nanking and Shanghai into consternation and Li Shun found a fertile field in which to sow his seeds

of

of propaganda. Protests both from the foreign and Chinese public began to pour into the yamens of the Tuchuns at Nanking and Hangchow, and by the 15th the tempest in the teapot was practically over. Both Tuchuns disclaimed any aggressive designs, and both, attributing the incident to "misunderstandings", proceeded to emit a constant stream of highsounding, face-saving telegrams so much in vogue in modern China. The British-Chinese Corporation being vitally interested in keeping the Shanghai-Nanking Railway open, endeavored to obtain promises from both Tuchuns that in no event would the railway be used for military purposes and to obtain their further promise to submit any future differences to the Consular Body in Shanghai for arbitration. Li Shun willingly agreed to any proposals that would prevent fighting and still leave him in the commanding position; Tuchun Lu, probably because he regarded the proposed arrangement as advantageous to Li, refused. The incident was closed by the mutual withdrawal of troops and by a tacit agreement that the Shanghai-Nanking Railway would be regarded as neutral, and that in the event of future trouble it should not be used for attack. In order to prevent either Tuchun using the line and then later endeavoring to prove that he was the aggrieved one, it was stated by the British-Chinese Corporation that in the event that rolling stock should be requested for purposes of attack such requests would be refused, and the matter immediately reported to the British Consul General in Shanghai.

Hardly had the Nansiang incident been closed when it was ascertained that owing to the attack upon the Tsehow arsenal Li Shun was massing troops near Hsuchowfu

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in order to advance into Shantung and attack Ma Liang in the rear. This step, however, was never taken and for two reasons. First, the British Legation very strongly advised Li Shun not to invade Shantung and as Li had always endeavored to keep on the best of terms with the British, the Legation's advice carried much weight with him; and second, the intimation which was unofficially given him by the Japanese that should he invade Shantung they would be compelled to "take independent action". Fortunately for Li's party the capture of the Tsehow arsenal was delayed until all valuable machinery had been removed, and with Tsehow fallen and Ma Liang defeated there was no cause for Li to invade Shantung.

Li Shun's Disappointment: After the overthrow of the Anfu party Li Shun naturally assumed that, although he had done no actual fighting, still he had kept larger Anfu forces out of action, and that consequently he was entitled to a voice in the reorganization of the country. This view did not accord with that of Tuchuns Chang and Tsao, who proceeded upon the theory that to the victors belong the spoils. In addition to his personal disappointment Li was chagrined when it soon became evident that while the Anfu party had been destroyed a better condition of affairs was not to occur, and that Chang and Tsao were placing their own selfish interests above the welfare of the country. Li Shun sent several very strong telegrams opposing the more glaring of the selfish steps taken. This action greatly incensed Chang Tso-lin and created a breach between Li and himself. Realizing that little was to be hoped for as long as Chang commanded the situation, Li began looking around for means of

effecting

effecting a combination that would break the former's power. This was one of the prime objects of his life up to the time of his death. At first the post of Chief Northern delegate to negotiate peace with the South was offered to him. While he constantly strove to effect a union between the Peking government and the South-west he himself refused to act as the representative of the North. His desire was to have the peace conference held in Nanking with another as delegate, thus leaving himself free to dominate the conference without being burdened with the responsibility in the event of failure. He was offered in turn the position of Inspector General of the Yangtze and Inspector General for Kiangsu, Kiangsi and Anhwei. Both of these positions he refused. While it is probable that a great element of chagrin over the failure of Chang Tso-lin and Tsao Kun promptly to offer him the Inspectorate of the three provinces caused him personal disappointment, I believe that there was a certain element of truth in his repeatedly made statement that he was misunderstood by the North; that while from a real desire to see the people receive a genuinely reformed administration he was making his objections to the selfish manner in which the government was actually being administered, his objections were construed as mere manifestations of personal pique and ambition.

General Li Shun became quite ill with dysentery immediately following the large banquet given by him to the American Congressional Party. In fact, he himself ascribed his illness to the large number of cold drinks which he was compelled to take with his guests on a very warm summer day. The combination of his illness, his

personal

personal disappointment, his distress over the chaotic condition of the country following the destruction of the Anfu party, of which change he had hoped so much, and certain alleged domestic troubles, combined to bring about a condition of melancholia. Dr. L.S. Smith, his British physician, told him he must either get entirely away from his yamen and its attendant worries for a period of two months or he would suffer a certain nervous breakdown. In spite of this warning by a foreign physician the president refused to grant his frequent requests for leave, with the result that Li's mental and physical condition became worse. Early in the morning of October 11th Li Shun died as the result of a revolver shot which entered his right side and presumably passed through his heart. Whether this shot was fired by his own hand or by that of an assassin will probably never be generally known. If it was fired by an assassin those who planned and executed the crime have certainly been clever in covering their tracks.

A number of letters were found bearing every appearance of having been written by Li's own hand in which it was stated that the causes of his suicide were his long illness, recovery from which seemed so uncertain, the failure of the President to grant him leave, and the injury to his good name caused by his inability to give personal attention to the government of the province. He also requested Tuchun Lu Yung-hsiang of Chekiang to look after the welfare of Kiangsu and Chekiang; that the central government appoint General Ch'i Hsieh-yuan as his successor; that Civil Governor Ch'i Yao-lin remain at his post pending the arrival of his successor; that the government appoint another man as Inspector General of the three provinces; and stated and apologized for his failure to effect a union between the North and South .

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An instruction to his personal treasurer ordered the latter to pay over $200,000 to the Tuchun of Anhwei to cover arrears of pay due the "New Army" troops. His further requests had to do with the disposition of his estate and included bequests of $500,000 each to the famine relief in Chihli Province and to the endowment fund of Nan Kai College in Tientsin.

Following Li's death General Ch'i Hsieh-yuan was appointed Acting Tuchun of Kiangsu. No disturbances occurred and beyond the crop of rumors which such a tragic event was certain to start in a country like China, everything went on in the province much as before. A struggle immediately began for the substantive appointment as Tuchun of Kiangsu. The post was desired personally by the Tuchuns of Hupeh and Kiangsi, and for their henchmen by Tuchuns Chang Tso-lin and Tsao Kun. The Premier informed General Ch'i Hsieh-yuan that he was the choice of the Central Government and while in the face of the opposition of the Tuchuns just named it was impossible to appoint him immediately, his substantive appointment would certainly be forthcoming eventually, provided he would remain loyal to Peking and could keep order in his province. After the first excitement had abated Ch'i's administration went on without a hitch. The Kiangsu Self Government Association seized the opportunity to strive for the abolition of the post of Tuchun in Kiangsu Province but, while causing much noise accomplished nothing. With the exception of the two Generals at Hsuchow and Tsingkiangpu who are old Chang Hsun men and ex-brigands, all of the officers in Kiangsu are seemingly loyal to Ch'i. General Ch'i, who is in his 37th year, is a native of Chihli. He is a "Hsiu Tsai"

or

or M. A. and was educated in the Pei Yang Wu Pei College (北洋武備大學) where he graduated in the same class with Wu Pei-fu (吳佩孚). He has passed through the lower grades in the Chinese Army and before the death of Li Shun was Defense Commissioner and "Tang Pan" or first assistant in military affairs to him. He had also been appointed as Li's assistant in the position as Inspector General of the three provinces of Kiangsu, Kiangsi and Anhwei. While it is believed he is an opportunist and lacking in the high character of Li Shun, he is intellectually alert, an interesting conversationalist, an efficient officer and disposed to be friendly towards American and British interests. It is believed that his appointment as substantive Tuchun of Kiangsu would be to the advantage both of the population and of the foreign residents. During the remainder of the year General Ch'i confined his activities to consolidating his position, and in spite of the overtures of Chang Tso-lin and Tsao Kun, as well as those of lesser War Lords, kept himself neutral and independent.

<u>Visit of the Congressional Party</u>: A Congressional party, with women, girls and young men predominating, visited Nanking for two days, August 10th and 11th. While it is probable that no great amount of good was accomplished, the visit nevertheless served as an opportunity for the demonstration of the good will of the Chinese officials and people to the United States. Tuchun Li Shun expended $ 30,000 of his own money in entertainment of the party. Eighteen automobiles were brought up from Shanghai and kept here for several days, and even beds and bedding were purchased and installed in the Nanking University dormitories in order to provide sleeping accommodations

entertains for the party. The time the party was here was crowded with entertainments provided by the officials, by the Provincial Assembly, by the Chamber of Commerce and by the various peoples' societies.

Impeachment of Governor Ch'i Yao-lin: Ch'i Yao-lin (齊耀琳), Civil Governor of Kiangsu Province since 1924, was impeached by the Provincial Assembly on June 18th. Like his brother Ch'i Yao-shan (齊耀珊), the recently impeached Civil Governor of Chekiang, his policy of self-enrichment, and utter disregard of the real welfare of the people had caused him to become exceedingly unpopular with them. His appointments were practically all from among the members of his own family connections and the amount of squeeze he obtained from the debasement of the copper coinage at the Nanking Mint and from the illicit export of rice is said to have been large even for modern China. His procurement of a membership in the so-called Anfu Club, at an alleged expenditure of $30,000, just prior to the organization's eclipse, caused the long strained relations between him and the Tuchun to break. With the undoubted instigation and backing of the Tuchun the Provincial Assembly impeached him as has just been stated, and the outbreak of hostilities in July found him sending in his resignation for the fourth time and prepared to leave as soon as the face-saving motions had been gone through. After the establishment of peace the Tuchun found it convenient to retain him, practically as a prisoner, and to use his name in administering the province. After Li's death Acting Tuchun Ch'i also found it convenient to retain him until the arrival on December

21st

list of Wang Ma (王瑚) the newly appointed Civil Governor.

Commissioner of Foreign Affairs at Nanking: One of the most fortunate results in this district of the overthrow of the Anfu party, and with it of the Civil Governor, was the appointment as Commissioner of Foreign Affairs at Nanking of Wen Shih-chen (温世珍), who entered upon the duties of his office on August 4th. A man of sterling character, brilliant ability and long and practical experience, his appointment was greeted with pleasure by all who desired the foreign affairs of Nanking well attended to. The character of the former Commissioner of Foreign Affairs, Tsao Yu-chien (曹豫謙), who was the most hopeless Chinese official with whom the writer has ever come into contact, has served to make Wen appear by contrast even more brilliant that he actually is.

Lawlessness in Northern Kiangsu: Commencing in early July conditions in the upper part of Kiangsu Province along the Grand Canal were very bad. When the crops reach a height sufficient to hide the movements of men they are euphemistically called by the Chinese "The Green Gauze Curtain", and from the first part of July this curtain has afforded excellent cover for several bands of bandits whose exactions and depredations have all but paralized trade in that section. The majority of the bandits are members of organizations which had their origin in the days following the overthrow of the Ming dynasty, and had as their ostensible object the restoration of the Ming house to the throne of China. Long, however, before the overthrow of the Ch'ing dynasty these organizations had degenerated into bands which either smuggled salt or indulged

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in robbery and kidnapping. These gangs which occupied themselves with smuggling were known as the "Green Band" and those which followed robbery and kidnapping as professions were known as the "Red Band". Owing to their peculiar origin these organizations number among their members individuals in all walks of life, officers of the government, merchants and farmers. The result has been a situation that has puzzled the administrators of this province for many years. The solution arrived at some decades ago by the then Liang Kiang Viceroy at Nanking, was to give some one of the leaders of these bands high military position, to permit him to have his followers as soldiers and in return to require him to keep banditry and smuggling within limits. When a good man has held the position the results have, from a Chinese view point, been satisfactory. At present, however, the holder of this position of restrainer of the outlaws is Defence Commissioner Ma Yu-jen (馬玉仁) who is seemingly unable or unwilling to keep things within bounds. Interference with the movements of foreign cargo have occurred, one foreigner (a French priest), a Chinese manager for an American company and 17 captains of boats conveying British cargoes were captured and held for ransom. The section of the Grand Canal and of the Salt Canal leading to Haichow, situated in this district, were for weeks practically under the control of these bands. The letting the situation get out of hands very much displeased Tuchun Li Shun who had the main canals guarded by his own regular troops and who endeavored to devise some plans whereby this unruly section of the province might be brought under better control. The problem, however, is a difficult one owing to the fact that so

large

large a proportion of the population is in more or less sympathy with the existing system and since the Kaffir Corn (Kaoliang) and other tall crops make it difficult to follow the offending bandits. The ease with which the outlaws secure modern rifles and ammunition- all of Japanese make - from Shantung, is another factor.

It is rumored that General Ma Yu-jen carries on a thriving trade in opium smuggling from Tsingtau to Kiangsu Province, and that it is his unwillingness to give the bandits the share of the profit to which they think themselves entitled that has led to last summer's outburst of lawlessness. This, however, is merely a report and is up to the present without confirmation.

Assault upon Members of Kiangsu Assembly:

As a result of the indignation of the silk merchants over the passage by the Assembly of a bill to permit the licensing of additional firms to deal in silk cocoons, thus breaking a monopoly by which, through the ownership of all licensed cocoon firms, these merchants had been enabled to control the price of cocoons in Kiangsu Province, at two on the afternoon of December 2nd a mob composed of some 2,000 persons proceeded to the Kiangsu Provincial Assembly building, and, quickly overawing the small police guard, seized those assemblymen whom it found there, and dragged them in rickshaws to the satin weavers' guild hall in the south city. These unfortunate assemblymen were subjected to many indignities and several of them were very roughly handled. It was stated that when the Civil Governor was informed that the mob was proceeding to the Assembly building, he instructed the police not to interfere unless the members of the mob

were

were seen to be carrying weapons. Doubtless as a result of the Governor's secret orders the police refused to interfere. As it was due to the Assembly's impeachment that he had lost his lucrative post, there can be but little doubt that he let it be known that he did not care how roughly the assemblymen were treated. At the end of the year the incident had not been settled, but it was evident that some degree of satisfaction would be obtained by the injured legislators.

New Tuchun of Anhwei: The resignation of Ni Sou-shung as Tuchun of Anhwei was a signal for a scramble for the post on the part of the nominees of the several more powerful Tuchuns. Chang Tso-lin desired the appointment of Chang Hsun, as this would give the former an entering wedge in the Yangtze valley. Tsao Kun was reported to favor the appointment of Wu Pei-fu, while Li Shun put forward several names. Finally a compromise was effected with Chang Wen-sen (張文生), a comparatively unknown and weak man as Tuchun. He had for some time been Defence Commissioner at Hsuchowfu. As a former officer under Chang Hsun he was fairly acceptable to Chang Tso-lin, as a weak man he was a satisfactory compromise to Tsao Kun, while as susceptible to his influence, he was acceptable to Li Shun. In fact when the latter realized that he could not force in his own man he nominated Chang Wen-sen and later promised to give him $200,000 to pay the arrears of salaries to his "New Anwu" troops, thus hoping to gain his friendship and neutralize his loyalty to Chang Hsun. Li Shun was also credited with having made some arrangement whereby Ma Lien-cha (馬聯甲), the Wan Nan Defence Commissioner who commandsthe five

mixed

mixed brigades of Ni Sze-chang's troops, known as the "Old Army" troops, would follow his instructions. In a word the results seem to have been a compromise which the three leaders of the Chihli wing of the northern military party each hoped to turn to his own advantage, and from which Li Shun had at the time of his death obtained the greatest measure of profit.

Prospects for the Future: While many of the events of the year were discouraging, taken as a whole the net results are believed to warrant optimism as regards the future of this district. While the death of Li Shun, who was undoubtedly one of the best of the Tuchuns, was a blow this was more than counterbalanced by the elimination of that parasite on the body politic, Civil Governor Ch'i Yao-lin, and his replacement by such a man of integrity as is Civil Governor Wang Hu. The greatest cause for hope of better things, however, is the growing power in Kiangsu of the new industrial classes. The strides made at Nantungchow and Wusih, the commencement of planning of no less than five motor transport systems, and similar evidences of progress spell the doom of militarism. It is merely a question of time until the voice of the people will be sufficiently strong to demand the removal of the burden of $11,000,000 now squandered annually on troops which, possessing but little military value, are maintained solely in order that the power of a few selfish men may be upheld. The annual expenditure of a third of this sum upon the improvement of means of transportation, would, if administered with a modicum of honesty, cause the province of Kiangsu to develop with a rapidity that

would

would be surprising to those unfamiliar with local conditions.

In addition to the incubus of militarism the provinces of Kiangsu and Anhwei are burdened with a load which they can not continue to carry if they are steadily to advance upon the path of progress, and that is the farcical system which now passes for a judiciary. Much is said in the foreign press and in public speeches at banquets in America and Europe of the wonders wrought along the lines of a reformed judiciary in China. As Kiangsu is probably the most advanced province in the so-called republic, and can therefore be assumed to enjoy the best of the judiciary, it is safe to state that all such statements are unqualified falsehoods. Instead of being an improvement over the old judicial system the new courts are hopelessly inefficient and corrupt. A considerable number of cases have come to the attention of this consulate, and without exception all have been found to have been handled in a manner that in more advanced countries would have resulted in the immediate removal of the judges. The only evidence that carries weight is the evidence of a willingness to bride the judge. The utter shamelessness of some of the decisions noted have been a surprise even to one long inured to Chinese official corruption. While all Chinese who are willing to speak frankly deplore the rotten condition of things, there is lacking the same degree of opposition and demand for change that gives hope for the eventual removal of militarism. It is hoped that a consistent refusal upon the part of the American and the European governments to accept promise for performance as regards judicial reform, may serve to awaken the thinking classes to demanding a

judiciary

judiciary that instead of being, as it now is, worse than under the Manchu dynasty, shall show some signs of being above corruption.

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From K. Date March 17, 1921 Serial No. 190 (Commence new series each January first.) File No. 810-200 (Select proper number from O. N. I. index.)

Source of information

Subject CHINA (OUTER MONGOLIA) OPERATION (ANTI-BOLSHEVIKS)
(Nation reported on.) (Index title as per index sheet.) (Subtitle.)

Bunav.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

MONGOLIA

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
NOTED M. I. 2
1921 JUL 8
2657-J-MO
WAR DEPARTMENT

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With the capture of Urga, the capital city of Outer Mongolia on February 2nd by anti-Bolshevik forces under the command of Baron Ungern, the Chinese Republic has lost suzerainty over a territory two-thirds the size of the original eighteen provinces of China and one-fourth the size of all Chinese territory.

The proximity of Mongolia to the northern boundary of Chihli province can best be estimated by the fact that during normal weather conditions the southermost boundary of Mongolia can be reached from Kalgan in a day's automobile journey and Urga itself is only a three days' motor trip from Kalgan or four days from Peking.

Exactly how much the Japanese are implicated in the loss of Mongolia to China cannot be definitely stated but on the other hand it is correct to assert that at no time did Japan oppose the attack on Urga by Ungern's forces.

In fact in Major Dockray's report he states that about 70 Japanese were enlisted in Ungern's attacking forces.

(Major Dockray is a retired English army officer employed by the Chinese National Wireless Co. to erect the radio station at Urga; statements made by him can be considered accurate).

Independent Mongolia is bound to play a prominent role in the future affairs of the Far East and Japan's policy regards Mongolia is being keenly watched by all foreigners in China.

The following is an article published in Millard's Review of March 5, 1921 and written by S. K. Stierlin entitled "Mysteries surrounding the fall of Urga":

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BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Urga, the capital city of Outer Mongolia, where lives the Living Buddha, was captured on February 2 by Baron Ungern's invading force composed of 3,000 Russian reactionaries and 100 Japanese artillery officers. The circumstances in which it was occupied were mysterious.

General Chang Ching-hui, who was ordered by the Central Government three or four months ago to send reinforcements to strengthen the Chinese garrison in the city, did nothing to obey its wish, and his chief, General Chang Tso-lin, Inspecting Commissioner of Manchuria, perhaps knew in December that such would be the fate of Urga, and yet took no action to guard against it.

The Urga mystery is heightened when it is learned that Baron Ungern, who effected the capture of the city, is a righthand man and a most faithful follower of Semenoff, the redoubtable Cossack chief; that Semenoff has been on friendly terms with Chang Tso-lin and that Chang Tso-lin has been entrusted by Peking with the responsibility of preserving peace and order in Urga. One word from Chang Tso-lin, and Semenoff would command Baron Ungern to withdraw in no time and Baron Ungern would obey Semenoff's order implicitly.

Instead of nipping the trouble in the bud, Chang allowed it to develop, and instead of doing the simplest and easiest thing in the circumstances in order to cope with the grave situation that has already arisen, advocated the sending of an expeditionary force; the appointment of Chang Ching-hui to be High Garrison Commissioner of Mongolia; the despatch of Feng Yu-hsiang's Mixed Brigade by Tsao Kun, Inspecting Commissioner of Chihli, Honan and Shantung, to assist in the campaign; the purchase of a large number of motor trucks for transportation purposes; and the enlisting of military aid of Heilungkiang and Sinkiang.

Preparations for the recapture of Urga are truly being made on a grand scale and in all pomp. The Cabinet at Peking is discussing the question of preparations every day at its meetings, and the President is devoting a part of his attention to it. But what are the reasons for this superb stage setting? Or rather what are the explanations of the Urga mystery? Numerous telegrams exchanged between Peking and Mukden do not give any enlightment on the mystery.

Half a dozen plausible reasons, however, have been given for the strange situation, and they are being widely discussed in diplomatic, journalistic and other quarters at Peking with an animated spirit. Even if one of them should eventually turn out to be authentic, Chang Tso-lin proves himself anew to be a clever man with a complicated and intricate brain, and to be on the alert all the time to seize any opportunity that will give him more power even if it may cost him and his country expensively.

Before explanations of the mystery offered by those who are supposed to be in the know can be appreciated, it seems necessary to give a little background of the situation. About two months ago, Semenoff, hedged in by the Bolshevik force, practically driven into Chinese territory and on the verge of being incapacitated as a

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From K. Date March 17, 19 21 Serial No. 180 (Commence new series each January first.) File No. 810-200 (Select proper number from O. N. I. index.)

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Subject (Nation reported on.) (Index title as per index sheet.) (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Russian political factor, had a mysterious interview with Chang at Mukden, following which a general conference in which some Japanese participated took place. It appears that at the conference Chang pledged support to Semenoff, an arrangement for mutual assistance was completed, and financial support was promised by the Japanese present to put into effect the arrangement.

After the Mukden conference, little of which was known to the public, there was a lull in the Urga situation - the lull of a calm sea preceeding a terrible storm - under the cover of which Semenoff's men were gradually assembled from all directions again and armed with the best modern weapons of Tokio make in the vicinity of Urga. Some of his officers came to Peking to intrigue, amply supplied with yen. Thirty of them are still hanging round in the Chinese Capital, and spreading rumors of the wildest nature. They are, perhaps, acting as a sort of secret service men for their chief and are vitally interested in whatever despatches Chang has sent to Peking, presumably endeavoring to find out whether Chang has lived up to the arrangement of co-operation.

With a little background such as this, explanations of the Urga mystery may become more comprehensible and appear less absurd. One of the explanations is Chang's desire to weaken the influence of Tsao Kun, his strongest rival in the political field. Chang is applying to the government for permission to send Feng Yu-hsiang's troops to Urga for reinforcement. Feng is more or less attached to Tsao and his transfer from Honan to Mongolia would deprive Tsao of one brigade. Both Chang and Tsao are engaged in manoeuvring for a position of advantage.

The attempt of Chang to do away with the remanents of Little Hsu's troops in Urga through the agencies of Russians has been given as another explanation of why Chang let Urga slip out of Chinese control. As early as November 1920, Chen Yi, Chinese Amban in Urga, in a despatch to Chang, requested that more soldiers be sent to rescue the troops then besieged by Russians on three sides. If Chang wanted to prevent the fall of Urga, he had more than enough time to take measures against it. Why then was he indifferent to it?

After the overthrow of Little Hsu in the summer of 1920, many of his followers were still in control of Urga. Nominally they have sworn allegiance to Chang, but in reality they are far from being obedient to him. Chang knew this, and knowing it, might have considered it a way of eliminating them to allow Russians to advance and butcher them. Reports from Urga indicate that many of the Chinese troops doing the garrison duty in Urga were killed in the fight with the Russian reactionaries.

That Chang desires to increase his power and influence in Mongolia has been given as another reason. In Manchuria Chang is all powerful, but he has not yet crystallized his position in Mongolia. Japan is anxious to have a buffer state between herself and the Bolsheviks so that she may be free from their attacks; in the event of necessity, can do battle in an alien territory; and make the

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N. N. I. 26

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Subject (Nation reported on.) (Index title as per index sheet.) (Subtitle.)

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border of her own territory as the last defence against a possible Bolshevik invasion. Chang and Japan find in the buffer state proposition a common ground for co-operation.

At first it was reported that the Japanese were making the Far Eastern Republic of Siberia a buffer state and the Japanese militarists were proud of the work. But the buffer state, after all, it was later found, was not of Japanese but of Russian pink. The object for which Japan has maintained troops during the last two and a half years and is still maintaining them, stated the Kokumin, has been completely defeated. Having failed in creating a buffer state in Siberia which will obey and allow her to dictate, Japan is now trying to establish one in Chinese territory.

Chang certainly welcomes an extension of his power to Mongolia if Japan is willing to assist. What will he not give to lay a firm foundation in the historical soil for a future Chinese empire with himself at the head of it? Even if the buffer state may be used by Semenoff as basis for operation against the Reds, Japan will have to say in the administration of it, and the move may cause misunderstanding between China and Siberia, he will be a party to it if it serves his purpose.

In other words, Chang is playing his game, Semenoff has his own game to play and Japan is playing her game. They have apparently arranged the fall of Urga to mark the beginning of their fascinating international game with Japan occupying a predominant position. In the end both Chang and Semenoff will lose out. There is little doubt about such an outcome. But what does it matter? Having been blinded by ambition, Chang is becoming a willing tool in furthering Japan's design. Semenoff has been folled once before, and declared that Japan should help him to the end, but he becomes only more involved in her intrigue with the possession of tremendous natural resources in Siberia as her objective.

Such being the reported relationship between Chang and Semenoff, between Semenoff and Japan, and between Chang and Japan, there should naturally be an influence working against the acceptance of the offer of the Far Eastern Republic made through M. Yourin, its representative at Peking, to give military assistance in the suppression of Russian reactionaries. Believing that the defeat of the Russian reactionaries in Urga will bring peace and order to Siberia, M. Yourin informed the Chinese government a few weeks ago of the readiness of his government to despatch disciplined troops to Outer Mongolia to co-operate with the Chinese forces and to withdraw them as soon as the disturbance was over and of its undertaking to ask nothing from China for its service. China declined the offer.

The Living Buddha, or Hutuktu, is a mysterious figure in the Urga situation. Before Baron Ungern's force seriously attacked the city, he had escaped Chinese vigiliance and fled. He has now declared independence of the Peking Government for the whole of Mongolia, Inner as well as Outer. He styles himself "The Emperor of Mongolia" and the "Religious King of the Yellow Faith in Mongolia and Tibet," and invites subscriptions by his subjects of funds and

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foodstuffs to the Mongolian army raised to expel the Chinese troops from their territory. Whose game is he playing? He thinks he is playing his own game. He is laying plans for the establishment of an empire in Mongolia, but it is feared that he is playing the Japanese game. Tokio's master hand has wrought the Urga mystery, and clever as Chang Tso-lin is, he knows little of the Japanese intentions in regard to the new situation, the gravity of which is scarcely surpassable.

Stierlin analysis of the situation is very interesting in that he carefully weighs the different advantages and disadvantages that an independent Mongolia means to Japan, Chang Tso-lin, Semenoff and the Far Eastern Republic.

The following is a report given out to the Press by Major Dockray regarding the fall of Urga. Dockray is the first foreigner to return from Urga since the capitulation of that city.

The conditions at Urga prior to the attack were most ghastly. The Chinese soldiery robbed and raped unchecked. The Russians especially were persecuted though all foreigners were unsafe trade and commerce were at a standstill. During the night prior to the attack, the Hutukhtu, who was guarded by 100 Chinese, was rescued from his palace by a band of Tibetans, who killed 96 of the guard and carried off the Hutukhtu to the mountains.

The attack on Urga started on the morning of February 2, Baron Ungern making a feint from the north and successfully enticing a portion of the garrison in that direction. He then attacked heavily from the East Pass and from the south with his artillery stationed on the Han Mountain. A strong Chinese force holding the pass was thrown into a panic at the first cavalry charge and ran off into the Chinese city into Urga under a double machinegun enfilade. The casualties were very heavy.

Urga capitulated without resistance on the morning of February 3. It is estimated that half the Chinese garrison perished, although outnumbering the attackers, and the remainder escaped to the north, abandoning their artillery and a very large amount of munitions. No prisoners were taken on either side.

During the bombardment a shell entered the engine-room of the wireless station, which is now out of commission.

Baron Ungern is strictly prohibiting looting and is heavily punishing the slightest disobedience. He has granted an amnesty to all Chinese in spite of their previous persecution of the Mongols but is executing all Jews, Germans and known Bolsheviks. Order was

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restored in the city as soon as possible. Foreigners are being well-treated, the only exception being the confiscation of Mr. Steffan Hansen's passport. The discipline of Baron Ungern's forces is excellent, the slightest insubordination being most severely punished.

Baron Ungern desires to attack Kiakhta but it is reported to be held at present by 15,000 troops while Baron Ungern's forces consist of about 70 Japanese, 500 to 1,000 Russians, and 4,000 Mongols and Buriats. Baron Ungern is now actively recruiting.

Upon the arrival of Major Dockray and his party in Peking, he was interviewed by all newspapermen; a copy of the telegram sent by the very able American journalist, Mr. Gilbert, to his paper, the North China Daily News in Shanghai, follows:

Major Dockray party having arrived Peking today tell first authentic story fall of Urga stop for two weeks prior to attack Mongols were aware Ungerns presence in immediate neighborhood Urga while Chinese oblivious believing Ungern far eastward stop during latter weeks Chinese soldiery particularly obnoxious looting shops raping women robbing Mongols killing many Russians and Mongols of prominence stop Ungern delayed attack pending rescue Hutukhtu but principally awaiting munitions supplies exHailar stop attack commenced from east six o' clock morning February first intensified second stop morning third all Chinese officials left in eight motor cars for Kiakhta deserting soldiery stop latter then attempted escape westwards from Maimaicheng but were enfiladed by Ungern machine guns concealed north and south highway east of Russian concession stop survivors then turned north escaping with horses carts camels also many afoot stop Ungern forces did not pursue anticipating other detachments on Kiakhta road would exterminate fugitives stop many Chinese soldiers remainded after general flight to loot Russian community then discarding uniforms rifles hid in houses but sixty subsequently found executed stop foreigners fired upon by Chinese soldiery whenever abroad stop Ungern with forty Japanese bodyguards and tartar regiment entered Urga afternoon of third ordered Chinese civilians remove bury dead soldiery stop work required three days two thousand five hundred corpses removed bearing most sabre wounds stop Mongol regime promptly installed Ungern describing himself as Mongol auxiliary stop foreigners well treated by Russians Mongols but unallowed return Kalgan stop one Bolshevik supplied Ungern names twentyeight communists who all executed after which informer cut in pieces stop Ungern equipment largely Japanese but Italian machine guns

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stop Buriat officers drilling new Mongol force conscripted by Hutukhtu all between ages sixteen forty being called stop Ungern plans campaign against Kiakhta but Mongols want peace resumption trade with China on condition autonomy guaranteed no Chinese garrisons reside Mongolia stop preparations made to crown Hutukhtu emperor Mongolia fifteenth first moon stop shell wrecked engine room new wireless station requiring substitution new parts from England before station again working properly.

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From K. Date April 12, 1921 Serial No. 227 (Commence new series each January first.) File No. 105-100 (Select proper number from O. N. I. index.)

Source of information Agent

Subject CHINA; MUKDEN (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

General Conditions in Mukden, Manchuria - March 29, 1921.

NOTED M. I. 2 JUL 8 1921

OFFICE CHIEF OF STAFF MIL. INTELL. JUL 8

WAR DEPARTMENT

I had a talk yesterday with a Chinese official who is closely associated with the Governor of Manchuria, General Chang Tso-lin. He says that the Governor is very much annoyed that people should accuse him of being connected with the monarchical movement and insists that he does not favor it in any way. Certain other officials who are in close touch with the Governor, however, state that the Governor is closely identified with the monarchist movement. It may be that there is such a popular outcry against the scheme that the Governor is beginning to doubt the wisdom of supporting it and he may be uncertain of the support which hitherto seemed almost sure. Either this is the case or he does not want his real attitude to become known. He intends to go to Peking later on but the report that he is to go there immediately is incorrect.

I have been told by well informed Chinese that the Japanese are accumulating large stocks of Chinese coal in Japan and that they do not seem at all anxious to dispose of any steaming coal. My informant also states that the Japanese are importing unusually large quantities of beef from China for canning purposes and that the Chinese believe that their efforts in these two directions are part of their preparations for war.

A British subject from Harbin told me yesterday that the Japanese in Siberia are endeavoring to get as much gold and other metal as they can and that they are doing this by a system of barter. He says that the Japanese up there seem to think that this is a good time to have a war with America for they believe that the United

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TRUE as far as Navy is concerned but Army not Japan Pat

States would be better prepared as the years go by and that the American navy especially will be better in a few years than it is today. While, of course, their eight-eight naval programme will place them in a favorable position by 1928, they believe that by 1923 or 1924 the United States navy will be relatively stronger than it is today.

From what I can learn it is true that the Japanese are considering the withdrawal of their troops from Chientao but they will very likely insist upon having a certain number of Japanese police or gendarmes there, and this, of course, would tend to undermine China's sovereignty and would be the first step towards Japanese political control.

Semenoff's agents are still very active and they apparently intend to make Mukden one of their principal centers. It is said that their financial office will be located here and it is probable that a certain amount of the administrative work will be carried on in Mukden. For a considerable time they have been holding frequent conferences with Chinese and Japanese officials and it looks very much if some kind of an understanding has been reached. While the Manchurian officials may not be assisting Semenoff actively they do not seem disposed to hold him or his subordinates in check and do not seem to be making any great efforts to oppose their programme.

There is a great deal of uncertainty about the whole political situation and the real policy of the Governor General here is still doubtful. For many years, however, he has made his plans from day to day according to circumstances and he always endeavors to keep in with the various factions so that whatever developments may arise he will be in a good position to take advantage of them. His policy is

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is one of opportunism and is therefore liable to change at any moment. I believe, however, that his present intentions are what I explained to you recently in Peking and that he will hold to this programme unless the probable opposition appears too overwhelming.

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Source of information Agent.

Subject CHINA; MUKDEN, MANCHURIA STATE POLITICAL CONDITIONS
(Nation reported on.) (Index title as per index sheet.) (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

General conditions in Mukden, Manchuria. April 8, 1921.

OFFICE CHIEF OF STAFF
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WAR DEPARTMENT

While the Governor of Manchuria, General Chang Tso-lin, emphatically denies that he is interested in a monarchical movement there is scarcely a person who takes his denial seriously. As far as I am able to judge, he is still very sympathetically inclined towards this movement and if he does not take an active part in the restoration it will probably be because there has been such a storm of criticism or because certain elements of support which he counted on are not as strong or dependable as he had hoped. He is at heart, I believe, a thorough-going monarchist, but motives of expediency will doubtless determine the actual course which he will finally pursue. It is possible that he had denied having any interest in the monarchist movement so that certain opposition forces will be less bitter and violent in their denunciations and will be less determined to crush him.

A great deal depends upon the attitude of the Japanese. The Governor is not likely to make any definite move without a certain amount of support from them, and they do not want to become identified with the monarchist movement unless they believe it will thoroughly succeed. They are constantly studying the situation and are trying to figure out whether their participation will in the long run promote Japanese interests and it is possible that they have told the Governor that the tide of popular opinion is running too strong against their monarchist scheme.

The Governor seems to be influenced more by the Japanese than ever before and officials representing Semenoff have frequent

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conferences with high Japanese and Chinese officials. As I previously wrote, the Governor is disinclined to send any of his present troops to Mongolia, although he would probably join in a Mongolian Expedition if additional troops for this purpose could be recruited at the expense of Peking.

The Governor's financial position seems very strong. He has not found it necessary to issue more paper currency and the small coin notes now in circulation are very high in comparision with the Mexican dollar. While a Mexican dollar last year would purchase between small coin $1.70 and $1.80, the rate today is less than $1.50. This is partly due to the unusual demand for local currency for the purchase of Manchurian produce for the famine-affected district. An average of more than 500 tons of grain per day is being shipped from Mukden alone via Tientsin.

Business conditions at present are very unsatisfactory both in import and export lines. There is very little demand abroad for Manchurian products and not only has the consuming power of the Chinese been correspondingly reduced but the low value of silver makes it even more difficult for them to buy.

The Japanese seem to be a little less aggressive in South Manchuria than they were. Their activity in Siberia seems to have made them less active here. They are evidently trying to avoid public criticism, and the possibility of China demanding the cancellation of the agreement which arose from the 21 Demands has made the Japanese a little more circumspect. The scandalous way in which the South Manchuria Railway has been mismanaged has made them feel uncomfortable and they are afraid that their fitness to control the railway is likely to be called into question.

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Source of information Chinese residents in Canton

Subject CHINA; CANTON (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Conditions in Canton - March 27, 1921.

M. I. 2.

OFFICE CHIEF OF STAFF MIL. INTEL. DIV. JUL 13 1921 2657-277 2 WAR DEPARTMENT

The best the Military Government can do at present is to keep Hunan, Yunnan and Kweichow Provinces neutral. There is no prospect of getting any military, financial, or moral support from them for the Constitutionalist Cause.

Yunnan, through its present military commander-in-chief, General Kee Ping-chen, is asking the Military Government for a grant of a million dollars or more to meet the present urgent demand for military expenses, suggesting that the amount should be appropriated from the salt revenue. It is believed by some persons in Canton that General Kee may be compelled to decide definitely in favor of the North, unless the Military Government is able to be of financial usefulness to him. It is unlikely that the Military Government will be able to send Yunnan financial aid, as the various military and civil authorities in the districts of Kwangtung have disorganized the service of the salt revenue, giving the Salt Administration in Canton a revenue of little over $6,000,000 a year instead of $11,-000,000 or more before local interference with the national service. Moreover, the extra military expenses of Kwangtung, the Military Government, the Old Parliament, etc., are all depending upon the salt revenue for their upkeep and support.

General Tang Chi-yao, formerly Tuchun of Yunnan, has been spending the last two weeks in Hongkong, where he consulted many delegates from Peking and also from other political cliques in Central and North China. So far General Tang has not yet decided what to do. To prevent his further relationship with other political parties,

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N. M. I. 26

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From L. Date April 15, 19..... Serial No. 231 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information .....

Subject ..... (Nation reported on.) (Index title as per index sheet.) (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Sun Yat-sen and others have telegraphed asking him to return to Canton, andhe has agreed to do so within the next few days.

So far there has been no big conflict between the Kwangtung and the Kwangsi forces, both sides having maintained strong detachments in the strategetic points. In the Luichow districts, some Cantonese troops, formerly commanded by Kwangsi-ites, have mutinied. The Military Government and the Kwangtung Provincial Government are all busy preparing for a long and active campaign.

For a time it was thought possible for the pro-Military Government Kwangsi-ites themselves to start a local revolution in Kwangsi, but the divisions and dissensions within the ranks of the Kwangsi revolutionists have delayed action and the Military Government may have to leave these factions out of consideration at all.

At the beginning, even Sun Yat-sen and General Chen Chiung-ming, Commander-in-chief of the Cantonese Army and Minister of War of the Military Government, have disagreed in their plans against the militarists in Kwangsi, Sun being in favor of immediate action after the signal victory of the Cantonese army, while General Chen is in favor of first putting Kwangtung in order. The Kwangsi militarists, realising that they will be attacked sooner or later, have been in preparation since their defeat in Kwangtung and are now able to be on the offensive. At present both Sun and General Chen have come to a general agreement, otherwise they will fall together. The Central Government at Peking has agreed to send military aid to the Kwangsi-ites, but the Cantonese donnot think that Peking will be able to do anything more than the remittance of some funds.

The Kuomintang, with Sun Yat-sen as the national leader and

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From K. Date April 15, 19 21 Serial No. 231 (Commence new series each January first.) File No. 107-100 (Select proper number from O. N. I. index.)

Source of information

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General Chen as the local leader, is supporting the women's suffrage movement in Canton. With the support of the labor unions and the women's union, the Party will soon establish a stronghold in this province. In one respect, the Party is doing good here by extending its hand to lead the common laborers to organize themselves and demand for votes and better conditions and higher wages and encouraging the women to enter into trades and industries and taking equal rank with men. The merchants and the gentry class, that is scholars of the old school and retired officials, are viewing the actions of the Party with alarm. The Party's introduction of the new thoughts movement, or Bolshevism in reality, the lawlessness of the soldiery, and the inauguration of many good but premature reforms, is giving dissatisfaction to the more conservative but still influential classes.

The Kuomintang Administration in Canton is being opposed here in some circles on selfish grounds. Under the old administration the Kwangsi officials in Canton had their financial transactions done through the small native banks of the city, thus giving the native bankers no little benefit and enabling the officials and the bankers to assist one another. Now the Government has established the Provincial Bank of Kwangtung, which is acting as the sole government depository and depriving the many native banks of transacting business for the government. The native banking guild is at all time ready to embarass the Provincial Bank of Kwangtung. The Government Bank is issuing notes for circulation, and its management informed the correspondent the other day that it has something like 78% cash in reserve for the redemption of its notes at all time. So far there are less than a million dollars worth of notes on the market.

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2657-I-172

From K. Date April 15, 1921 Serial No. 230 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Chinese residents in Canton.

Subject CHINA: CANTON (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

OFFICE CHIEF OF TALF MIL. INTEL. DIV.

Conditions in Canton - March 20, 1921.

1921 2657-I-172 JUL 13

WAR DEPARTMENT

For the first time in many years the General Chamber of Commerce of Canton has a progressive merchant as its president. The president of the Chamber for 1921-22 is Mr. Chan Lim-pak, a silk merchant and compradore of the Hongkong & Shanghai Banking Corporation in Shameen, the foreign concession of this city. Mr. Chan was once a visitor to the United States, representing South China in the World Exhibition in San Francisco in 1915. Mr. Chan is a great admirer of Americans and American institutions and informs the correspondent that he will be glad to communicate with Americans interested in the promotion of greater Canton-American trade. Among the plans of Mr. Chan are the organization of an industrial and commercial investigation bureau, the formation of an arbitration board, the publication of a trade monthly, and the establishment of a native bank in accordance with modern practice and principles.

The Overseas Division of the Kuomintang in America, popularly known in English as the Citizens or Nationalist Party, are sending cablegrams to Canton urging the early formation of a regular government in place of the present Military Government. By the term "regular government" it is meant that a government should be organized in accordance with the Provisional Constitution of the Republic, in which there is provided a President. The cablegrams give the impression that the new American Administration will be the first to recognize the southwestern Republic of China after the change.

In connection with the question of American attitude towards the southwest, some Americans in Canton believe that there should be

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more reliable channel of information between the United States and South China outside Shanghai.

At present British news is transmitted to Hongkong and Canton through the Reuter's Service; Japanese, the Eastern News Agency; Russian, the Russta ; and the French, by the establishment of several newpapers in the vernacular language. So far there is no effort being made to publish American news in this part of China.

The Kwangtung-Kwangsi conflict so long talked of has begun at last, although no formal declaration of war has been made. The only public action permitted by the censors in Canton to appear in the press is a warning issued by the Commander-in-chief of Kwangtung requesting the Tuchun of Kwangsi to withdraw his troops from Kwangtung territory. Persons well acquainted with the inside affairs are not so pessimistic over the quick success for the Kwangtung army as many Cantonese leaders believe they would achieve. Sun Yat-sen is training an army for the defence of the Military Government and will not entrust the task wholly to General Chen Chiung-ming, the present Civil Governor and Commander-in-chief of Kwangtung.

The recent announcement by the Canton Chinese Post Office of the temporary suspension of the insured parcel service to the United States has caused some concern among those who are daily fearing that there may be possible conflict between Japan and America. The real reason for the suspension of the parcel service, insured section, to the United States is that the French Post Office, through which insured parcels to the United States are being

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transmitted by way of the Suez, is now unable to facilitate the arrangement. The difficulty between Germany and the Allies in arriving at a peaceful settlement regarding the reparation question is also giving reasons for alarm.

The dispute between the Military Government and the Canton Provincial Government in the control of the mines of Kwangtung has been partly settled by the appointment of the same person, Mr. Tang Chi-yu, a returned Chinese student from the Strait Settlement, as the head of the Mining Bureau of the Military Government and of the Mining Department of the Canton Government. The officials in Canton are in favor of inviting foreign capital for the development of the various mines in the province. Major Louis Cassell of Hongkong, who has obtained a concession from the former Canton Administration for developing coal mines in the districts along the principal rivers of the province, is still unwilling to withdraw the $100,000 deposited with the Canton Government as preliminary agreement towards the final conclusion of a contract for the purpose; there is a hope that the British will ultimately be able to participate in working the coal mines there, if the terms are modified.

The drought in the districts around Canton City was lightly relieved March 11 and 12 by rainfall. In Canton 43/100 inch rain fell on the 11th and 76/100 on the 12th. The drought here does not mean shortage of crops only, but also difficulty in transportation of troops up the West River for the invasion of Kwangsi through the capture of Wuchow, where General Chen Ping-chun of the Kwangsi army is now being stationed. It was the intention of the Canton

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Government at first to dispose of a score of local gunboats, but in view of the coming conflict, the public sale of old gunboats has been cancelled. To have more steam launches for government service, the Canton authorities are confiscating the property of Mr. Tom Lai-ting, accused of having given aid to the Kwangsi Party and other shipping agents and owners.

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Source of information Local newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

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1921 2657-J-173

Resume of the Chinese Government activities in Peking.

WAR DEPARTMENT

(1) According to a telegram from Kwangtung, Yunnan has submitted its conditions for the return of its allegiance to the Peking Government, one of which is that the Government should recognize Koo Ping-chen as the Tuchun of that province. Another condition is that Peking should remit a sum of $3,000,000 to Yunnan after the cancellation of independence and a monthly advance of $400,000 for military expenditures. The Government is understood to be willing to accept these terms.

(2) A conference was called by the Ministry of the Navy to discuss the question of imposing a tax on fishery and it was decided to create a new department to attend to this affair. The Ministry will investigate the number of ships engaged in the coastal fishing trade and have them registered so as to facilitate the collection of the tax in question.

(3) As Pan Fu, the Vice Minister of Finance, is contemplating on resigning, the Premier intends to appoint Pan Fu to the post of Civil Governor of Shantung. The Tuchun of Shantung, Tien Chung-yu, has been sounded but it is not known whether he will approve of it.

(4) Owing to his inability to secure funds from the Government to meet all the payments of the Navy, Admiral Sah Chen-ping has again asked to be relieved of his post.

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Source of information Local newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

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Resume of the Chinese Government activities in Peking.

(1) Chang Tso-lin has relinquished his plans for a trip to Peking on account of the various rumors. He stated that he will not have anything to do with the restoration of a monarchy and that the Chihli forces should be held responsible for the recapture of Urga.

(2) The Government is in receipt of a telegram from the Kweichow residents in Yunnan, requesting that General Lu Tao, the present leader of Kweichow, be asked to welcome General Liu Hsien-shih, former Tuchun of Kweichow, back to Kweichow. The message says that General Liu has proved himself efficient in administrating the province and that the Kweichow people are all anxious to see him re-instated.

(3) It is reported from Canton that the situation there is rapidly coming to a head and a crisis is expected shortly. General Chen Chiung-ming is strongly opposed to Sun Yat-sen's scheme to elect a president. Sun Yat-sen has sent recruiting officers to enlist soldiers for his new army but they were all arrested by Chen Chiung-ming and discharged from the army.

(4) As the commercial relations between China and Germany will soon be resumed, the Cabinet Office has issued an order to the Bureau of Special Property Management to wind up its business within a month and the abolishment of this Bureau will take place when everything has been properly disposed of.

(5) The troops of General Hsiung Ko-wu suffered severe defeats at Hsinfan and Panhsien in Szechuan and General Liu Tsun-hou succeeded in taking possession of these two cities while Hsiung's men were in full retreat. If Liu Hsiang is to take sides with Hsiung, it is doubtful whether Liu Tsun-hou will be able to return to Chengtu.

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Source of information Local newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

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Resume of the Chinese Government activities in Peking.

(1) In an audience with the President, General Chang Ching-hui, the commander-in-chief of the Relief Force to Urga, was instructed to return to Kalgan immediately owing to the critical situation at Pangkiang. The General outlined certain military plans he had formulated with Chang Tso-lin in Mukden for the suppression of the disturbances in Outer Mongolia.

(2) According to a report submitted to the Ministry of the Interiro, there are 300,793 households with a population of 1,375,634 persons in the Metropolitan district.

(3) In regard to the opening up of Sinkow in the Lu-liang sub-prefecture of the province of Chihli, the Government is still studying the problem and has not come to a decision in regard to this matter. Tsao Kun strongly recommends that Sinkow be opened to commerce and requests the Government to sanction this plan immediately.

(4) In reply to the Government's telegram inviting him to come to Peking for the conference in regard to affairs in Mongolia, Tsao Kun states that as Paotingfu is so near Peking, there is no necessity for him to come. He further says that in view of the existing conditions he will not be able to do anything even if he is in Peking.

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From Ma Date April 2, 19 21 Serial No. 217 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking

(1) Preparations are now being made in Kalgan for defence and the supplying of military equipment for the troops to be incorporated with the Urga Expeditionary Force. It is said that the old units of the Kalgan patrols are not only defective in organization but also in need of modern weapons. The Tutung has wired to the Government asking for 5,000 rifles and ammunition.

(2) The Government has instructed Minister Chow to contract a big loan on the following conditions: (1) The Government is willing to make the most liberal terms; (2) The rate of discount shall be the same as those of the previous loans; (3) The rate of interest shall not exceed two and a half per cent per month; (4) The bankers may supervise the expenditure of the loans which are to be used only for the purpose of paying the arrears due the soldiers and for the maintenance of the Government .

(3) As a result of the protest by the Diplomatic Corps, the Government is making arrangements for the return of ex-Prince Tuan, the Boxer Leader, to Sinkiang before the end of the month. The ex-Prince will stay at the Western Hills pending the completion of arrangements for his return.

(4) It is expected that Sun Yat-sen & Co. will, in no distant future, be driven from Canton by General Chen Chiung-ming, who is in favor of the self-governing system for the province and that sooner or later he will declare his allegiance to the Central Government.

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Source of information Local newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

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Resume of the Chinese Government activities in Peking.

(1) The Ministry of Agriculture and Commerce, in connection with the question of labor wages, has requested the Civil Governors of all the provinces to make careful investigation so that the standard of living now prevailing, as well as the general and social conditions, may be ascertained.

(2) Prince Kalaching, Chief of the Tibetan and Mongolian Affairs Bureau, will leave Peking shortly for Inner Mongolia to restore the confidence of the loyal Mongols in that region who have become excited since the fall of Taolin.

(3) General Chen Chiung-ming is concentrating his Cantonese troops in Waichow which will be his base of military operations in case he should be forced out of Canton; the troops under General Hsu Chung-tse, and other Kuomintang leaders, are being transferred from Shaokuan to Canton. The saner elements under Sun Yat-sen, such as Hu Han-min, Wang Shao-min and several others are doing their best to mediate between Sun Yat-sen and Chen Chiung-ming.

(4) A strike is threatening among the judicial officials owing to the proposed reduction of their salaries. They are highly indignant at the Government's proposal, as their salaries are lower than those of other official organizations. They state that if the Government insists on carrying out the intended reduction, they will be obliged to cease work.

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From K. Date April 5, 1921 Serial No. 219 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS. (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) When General Chen Chiung-ming entered Canton after his successful campaign against Lu Yung-ting, he closed all the gambling dens and instituted other reforms, thereby depriving the provincial treasury of a large part of its revenue. Recently Sun Yat-sen, owing to his inability to raise loans for financing the presidential election and the punitive expedition against Kwangsi, attempted to revive gambling. Sun Yat-sen tried every means to secure Chen's consent but without success.

(2) The text of the proposed Sino-Russian Commercial Agreement consists of 53 articles. The Ministry of Foreign Affairs is discussing the following three points: (1) Readjustment of commercial relations; (2) Equality of rights enjoyed by the nationals of the two countries; (3) Equality of treatment in Sino-Russian civil and criminal cases. The agreement will operate for ten years.

(3) Two detachments of Japanese troops have been withdrawn from Hunchun and Yenchi but three hundred policemen of the Japanese consulate have been stationed at the principal points to co-operate with Chinese troops. The Japanese residents in these districts have petitioned their authorities for more adequate protection and more gendarmes have been secretly sent to these two districts from Korea.

(4) It is reported that Tuchun Chen Shu-fan of Shensi will be removed and that General Hsu Lan-chow will be appointed to replace him.

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From K. Date April 6th, 1921 Serial No. 220 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) The unofficial German representative in discussing the new Sino-German commercial treaty with the Government demanded that the Government should honor the Tientsin-Pukow railway bonds of German bondholders. As some of these bonds have been purchased by Frenchmen and Belgians, the Government finds it very difficult to settle this question but has indicated its willingness to acknowledge a part of its obligations.

(2) Martial law has been declared in the three special districts of Jehol, Suiyuan and Chahar. Instructions have been given to the respective headquarters to despatch soldiers to Paotowchen, Fengchen and Tu Lun to carry out this order.

(3) General Koo Ping-chen of Yunnan has sent a circular telegram to the provinces supporting General Lu Yung-hsiang's objection to the election of the new Parliament, which General Koo believes would not assist unification.

(4) In order to tide over the financial difficulties, the Government proposes to issue special treasury bonds for the sum of $10,000,000 through the medium of the Chinese Banker's Association. The proposal will be introduced for Cabinet discussion by the Ministry of Finance so as to find some substantial security for the bonds as desired by the bankers.

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From Ks Date 7th April, 1921 Serial No. 221 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) As General Chen Chiung-ming is against sending an expedition to Kwangsi, he is now devoting his whole attention in promoting self-government in the province. As recently announced, a part of his program is as follows: (1) To put into immediate execution the retrenchment policy and to discharge troops; (2) To call a meeting of the different public bodies of the province to prepare the way for self-government; (3) To encourage development of native industries and restoring all educational institutions; (4) To establish factories and create employment for the poor.

(2) Prince Tuan, the Boxer leader of 1900, whose clandestine return to the capital raised a veritable storm of protest from the Powers, returned to exile yesterday morning under the guard of two policemen and an officer. The Prince, who is well advanced in age, was sick when he departed and it is doubtful whether he will reach Turkestan alive.

(3) The Government telegraphically informed General Tsu Fen, commanding the Chinese troops at Pangkiang, that he is expected to hold his position until the arrival of General Chang Ching-hui with the 16th and the 25th Divisions. It is reported that Generals Wu Pei-fu and Feng Yu-hsiang have again offered to send their troops to Mongolia.

(4) Mr. Sah Fu-mou, new Director of the Shanghai Government Mint, took over his duties from Mr. Chung Mun-yu. The Mint will be in good working order shortly.

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From Ks Date April 8, 1921 Serial No. 223 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) There is hope for an early settlement in regard to the Teachers' Strike. The Minister of Finance some days ago asked a Mr. Lin to negotiate an educational loan of $3,000,000 with the Chinese Banking Group, the details for which have been agreed upon. The proposal of the Minister to use the income tax as security has been rejected. The Minister is now negotiating with the Ministry of Communications for its permission to use the profits of a certain railway as security for the proposed loan.

(2) The Government is contemplating the appointment of a High Inspector General for the three Special Administrative Areas of Chahar, Suiyuan and Jehol to look after the military affairs of the these areas. Either General Chiang Kuei-ti or General Chang Ching-hui will be appointed for the post.

(3) The Commissioner of Foreign Affairs in Kalgan has issued the following instructions: (1) All foreign travellers in Kalgan should return to Peking or Tientsin; (2) All foreigners, either merchants or travellers, shall not be allowed to travel in Mongolia; (3) All goods imported into Kalgan are liable to strict examination.

(4) The commercial treaty between China and Germany has been drafted and sent to Berlin. In form the treaty is similar to that which China recently concluded with Persia. The new Sino-German pact as drafted, makes no provision for extra-territorial privileges.

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From X. Date April 11th 21, 19____ Serial No. 225 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) Only Kiangsu and Fengtien have carried out parliamentary elections. Chihli, Kirin and Heilungkiang are preparing for the election, and there is no prospect of elections in Shantung, Shensi, Shansi, Honan, Hupeh, Sinkiang, Fukien, Chekiang and Anhwei owing to the uncertainty of political conditions. The Cabinet and the President are viewing this development with grave concern. The recent departure of Pan Fu is reported to have something to do with the election question.

(2) The Chinese Government considers the action of Chita in despatching troops to Urga as an infringement of Chinese sovereignty and has sent a delegate to negotiate with the Chita Government for their withdrawal. The Chita representative has replied that his Government was compelled to take this step because of the Russian reactionaries' plan to invade Siberia and at the same time hoped that the Chinese Government would entertain no misunderstanding.

(3) The so-called Parliament in Canton has elected Sun Yat-sen as the "President of the Republic"; Sun Yat-sen received 218 votes and General Chen Chiung-ming 3.

(4) The Government has decided that in addition to the abolition of superfluous Government organs and the cutting down of salaries, the pension to the Ching House and the Bannermen will also be reduced by a certain per cent.

(5) General Tsao Kun has recommended Mr. Ma Lin-yi, formerly Commissioner of Education at Lanchowfu for the post of Civil Governor of Kansu. Ma is a Mohammedan and is a profound student of Chinese.

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From X. Date April 12, 1921 Serial No. 226 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) General Chen Chia-ling, Defence Commissioner of the Szechuan Borders, telegraphed to the Government stating that Liu Chan-ting, the Yunnan rebel commander, has instigated the Tibetans to rebel against the Government and that small forces of rebels have been seen at Patang and Litang.

(2) Sun Yat-sen, who has been elected "President" of the Military Government at Canton, is planning a program to embarass the Government. Kwangtung will be incorporated in the alliance of the six Southwestern provinces and Hsu Shu-chen and Wang Yi-tang will be asked to cfeate trouble along the Yangtze Valley. When this plot is underway representatives will be sent to Shensi and other provinces to enlist the help of all the military leaders.

(3) The dispute between the Peking-Hankow Railway officials and the Japanese Consul General at Hankow, in regard to land claimed by the Japanese in the extension of the Japanese concession, is still unsettled. The railway officials held that the railway property could not be a portion of the concession and the Japanese acquiesced to this objection but is not satisfied with the land offered in exchange. The Ministry of Communications will negotiate with the Japanese consul and a satisfactory solution is expected.

(4) General Chiang Kuei-ti announces that martial law has been proclaimed at Jehol, Chifeng and Santueitze, owing to the local effect of the disturbances in Mongolia.

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From K. Date April 13, 1921 Serial No. [redacted] (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) The Government has decided to reject the demand of the Kiangsu people for the abolishment of the Inspector General of Kiangsu, Anhwei and Kiangsi, believing there is every reason for such a post, since similar ones are maintained in Mukden, Paotingfu and Wuchang. As a result of this decision, some one will be appointed to succeed General Wang Shih-chen.

(2) The report that the clans in Inner Mongolia have joined those of Outer Mongolia against the Government is premature. Chang Tso-lin reported that all the clans in Inner Mongolia have made preparations to carry out parliamentary elections.

(3) Mr. Liu Chen-yen, the new Civil Governor of Hupeh, who succeeded Hsia Shou-kiang last month, has handed in his resignation to the Government on the ground of General Wang Chan-yuan's overbearing attitude towards him. Mr. Liu was chosen for the post by Wang Chan-yuan himself.

(4) A Presidential Mandate issued last evening appointing Tuan Shu-yuan to the post of Director General to supervise the opening of Haichow, Chekiang, the future terminus of the Lunghai Railway, as a commercial port.

(5) The Government has decided to call a special military conference in Peking. All the Tuchuns have consented to appoint representatives to participate in the conference.

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From K. Date April 14th 1921 Serial No. 236 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) The Government has decided to ignore Sun Yat-sen altogether, as the only solution. It is considered inevitable that the election w will hasten the impending break between Sun Yat-sen and General Chen Chiung-ming who is considered by the Government as a man of character and easier to approach.

(2) Owing to the severe fighting which is taking place between Pangkiang and Kalgan, the people in this section of the country are panic stricken. Late reports indicate that Pangkiang is still in the hands of the Chinese troops and the Government is taking measures to protect the route leading to Kalgan. Foreigners and Chinese merchants are moving south.

(3) The Government has sent a telegram to the Tuchun of Sinkiang, suggesting that Kobdo in Outer Mongolia should be placed under the jurisdiction of Sinkiang and requesting the Tuchun to send a representative to Peking to discuss the matter.

(4) The student representatives issued a statement that even if the teachers should accept a compromise in the present strike, they would carry the matter on until absolute guarantees are given that there will be no further trouble with regard to the financing of the schools and that they have had enough of interruptions for the sake of getting money.

(5) It is understood that the new Civil Governor and the Tuchun of Yunnan will authorize Mr. Lo Pei-chin, to proceed with the negotiation for a loan to construct the railway between Mengtze to Poyai, Yunnan.

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From K. Date April 15, 1921 Serial No. 233 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) Telegraphic advices from Hongkong are to the effect that immediately after the presidential election, Sun Yat-sen despatched Tai Un-sen, Wang Shao-ming, Chang Chi and Ho Yung-tseng to America, France, Japan and England respectively, to seek recognition of the Canton Government.

(2) Concerning the return of a portion of the Boxer Indemnity to China by Great Britain, it is learned that the Board of Education of the British Government has acted favorably in its negotiations with the Chinese Minister to London, but that the Financial Board has to be consulted before the question can be definitely settled.

(3) The Waichiao Pu has proposed that the Government should appoint a Commissioner of Foreign Affairs at Amoy in view of the fact that Amoy is the most important port of Fukien and the relations between Japan and China at this port will justify the appointment of a Commissioner.

(4) It is announced that Hunan, Kwangsi and Yunnan are opposed to the election of the Southern President and it is expected that a circular telegram will be issued by these provinces very shortly.

(5) Chao Heng-ti has been elected by the Hunan Provincial Assembly as Civil Governor of the province. All organizations and merchants are proceeding with plans to celebrate the occasion of Chao's election.

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From K. Date April 18th 1921 Serial No. 243 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) General Chang Tso-lin arrived in Tientsin on the 15th inst. It is understood that Generals Chang Tso-lin, Tsao Kun and Premier Chin Yun-peng will discuss the Outer Mongolian situation, the political situation and the southern question.

(2) Premier Chin is determined to push his disbandment scheme. Preparations have been made to organize a special Disbandment Commission.

(3) Reduction of the number of clerks employed in Government offices has been found necessary by the National Committee and that body has found it necessary to reduce the number of "Pan Shih Yuan" (general clerks).

(4) General Chen Chiung-ming, through the intercession of Hu Han-min and Wang Shao-ming, has decided to remain neutral in regard to affairs relating to the "New Government" and will devote his entire attention to the local administration. He will continue to adhere to this policy as long as his authority is not interferred with.

(5) Owing to the instability of the Cabinet the political situation seems to be very gloomy. The Minister of Education has handed in his resignation while the Ministers of Finance, Justice and Agriculture and Commerce have obtained leaves of absence. At Saturday's Cabinet Meeting only Premier Chin, W. W. Yen, the Minister of Foreign Affairs, Chang Chi-tan, the Minister of the Interior, were present and the meeting was adjourned without discussing any questions.

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Source of information Local newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) At a meeting of military officers in Mukden, the following resolutions were passed: (1) To raise money for ammunition and the salaries of officers and soldiers; (2) To send special delegates to different districts to recruit; (3) To draft regulations so that everything will be in readiness by the end of April.

(2) The Union of the various public bodies in Peking jointly submitted a petition to the Government supporting the teachers of the eight national schools in their demands for an appropriation of $200,000 monthly as a permanent education expenditure.

(3) Mr. Niu, the representative of the Living Buddha, is still in Peking doing his utmost to bring about a peaceful solution in regard to the Mongolian situation. The Government has ordered Mr. Niu to leave Peking, stating that the Living Buddha is not in a position to make proposals to the Central Government. The Government gives three reasons for taking this stand which are as follows: (1) That all the provinces have rejected the proposals made by the Living Buddha; (2) That it has been discovered that Mr. Niu is a spy sent by Baron Ungern to ascertain the attitude of the Government; (3) That the Chinese troops have not yet been beaten. The Government further holds that if the Living Buddha is sincere, he should first drive the Russians out of his territory.

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N. N. I. 96

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From K. Date April 20, 1921 Serial No. 246 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. Index.)

Source of information Local newspapers.

Subject CHINA: (Nation reported on.) STATE (Index title as per Index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) General Feng Yu-hsiang, the Christian General, telegraphed to the Government stating that he had been attacked by Tuchun Chao Ti's forces and that he was compelled to defend himself. General Wu Pei-fu is reported to be also preparing to defend himself. against any possible developments in the Loyang region where he is now stationed.

(2) The provincial representatives of Yunnan, Kweichow, Kwangsi, Szechuan, Fukien and Chekiang are now meeting at Wuchang to discuss the attitude which they should adopt towards the Canton Government.

(3) The 1st Brigade of the 1st Division of Mukden troops under the command of General Chang Ching-hui, arrived at Kalgan yesterday from Kuyuan. The Brigade will leave for the front at Kangkiang today or tomorrow.

(4) Fengyung and several other towns along the Peking-Hankow Railway have been invested and looted by bandits. The Tuchun of Honan's forces has already come into conflict with the 1st Temporary Division at Changtefu. A portion of the line has been destroyed by the troops and telegraphic communications between the northern and southern sections have been interrupted.

(5) The Ministry of Communications has agreed to a proposal by the Postal Authorities for the resumption of postal services between China and Austria.

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From K. Date April 21st, 1921 Serial No. 253 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. Index.)

Source of information Local newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per Index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) A reorganization of the Waichiao Pu is announced. The old system, by which the Foreign Office was divided into four departments instead of three and which was altered in the 3rd year of the Republic, will be restored. A treaty department will be established.

(2) It is stated that Ungern's forces recently launched an attack upon Kobdo but the Chinese forces, assisted by the inhabitants armed with anything they could get hold of, drove the invaders away and took many prisoners.

(3) The Chinese Government has informed the British Legation that it refuses to recognize the mining agreement signed between the former Kwangsi Government in Canton and the Anglo-Chinese Propriety Syndicate of Hongkong because it was done without the sanction of Peking.

(4) Mr. Tang Shao-yi strongly opposed the election of Sun Yat-sen as President and Sun's inauguration has been postponed.

(5) The General Staff has despatched General Lin Yu-lin to Inner Mongolia to endeavor to restore the morale of the troops at the front and also of Major General Kao Tsai-tien's and General Yuan Ming-shun's defeated forces.

(6) There is no truth in the report of the fall of Pangkiang. There has been no heavy fighting though there has been a few engagements between outposts.

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From K. Date April 23rd, 19 21 Serial No. 255 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. Index.)

Source of information Local newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) Resumption of work on the Hunan-Canton Railway has been under consideration for a long time and lately some work has been started and right-of-way on the southern section purchased, the price for which has been paid under four classes: 1st class, $10.00 per square li; 2nd class, $5.00 and the third class $3.00 per square li.

(2) At a recent conference, Generals Tsao Kun and Chang Tso-lin have decided to support the Chin Cabinet and a circular telegram has been sent out announcing their determination to support the present Cabinet.

(3) General Ma Fu-hsiang returned to Peking from Tientsin where he consulted Tsao Kun and Chang Tso-lin in regard to his position. Owing to Tsai Chen-hsuan's inability to proceed to Lanchow to assume the Tuchunship of Kansu, General Ma seems to have lost his own post. The Mohammedans in Kansu are still agitating for the reinstatement of General Ma to his original post at Hinghsia.

(4) Dr. C.C. Wang, Chinese representative on the International Technical Board of the Chinese Eastern Railway, will shortly be transferred to the Peking-Suiyuan Railway as director of the Goods Taxation Bureau. This post was formerly held by Mr. Yen Shih-ching.

FOR O. N. I. USE. COPY SENT TO—	Obnav.	State	Commerce	M. I. D.	Gen. Board	War College	Bunav.	Bur. Ord.	C. & R.	Eng.	Y. & D.	S. & A.	& S.	H. O.		

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From K. Date April 25, 1921 Serial No. 257 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. Index.)

Source of information Local newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per Index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) The Shantung residents in Shanghai, in view of the fact that negotiations are under way for the resumption of commercial relations between China and Germany, have formed an organization, the object of which is the study of trade between the two countries as well as the solution of the Shantung question.

(2) At the meeting of the Far Eastern Press Conference, the Chinese and Japanese journalists present attacked the militarists of two nations in very strong terms. Mr. Chan Ting-yuan's speech, analysing the aggressive policy of Japanese militarists, was particularly appropriate.

(3) The Ministry of Communications has declared its responsibility for a monthly sum of $500,000 toward a foundation fund for national bonds, the first monthly payment of which will be turned over to the Customs Commissioner on April 26th.

(4) The attempt to oust Chao Ti, the Tuchun of Honan, was nipped in the bud by General Wu Pei-fu's prompt action in declaring for the Tuchun, while General Feng Yu-hsiang has sent a telegram apologising to the Tuchun for his action. The 1st Division, which caused all the trouble, has disappeared and thus the province will be saved at least $600,000 for their maintenance.

(5) It is reported that a detachment of armed Mongolian cavalry is advancing upon Hailar from a southerly direction, but whether an attack will be attempted is not clear. The Chinese military authorities are taking precautionary measures.

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From X Date May 12, 19 21 Serial No. 302 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) Yesterday the Government received a telegram from Tao Pin, Taoyin of Yenki, stating that more than three hundred Japanese military police had arrived in Yenki and Hunchun with two hundred infantry guns and seventy-four boxes of ammunition.

(2) The Super-Tuchuns have decided on the following measures: (1) Ways and means are to be devised for comforting the Mongolian princes as well as for relieving the Mongols, as the Mongolian revolts are now nearly suppressed; (2) The future policy toward the Cabinet will be one of co-operation with Premier Chin; (3) Preparation for receiving Yunnan, Kweichow and Hunan into the Northern Government will be made.

(3) It is stated that Tsao Kun will leave the capital in a few days owing to General Wu Pei-fu's telegram urging him to return to Paotingfu at once. General Wang Chan-yuan will also depart in a day or two, while General Chang Tso-lin will remain in the capital for another fortnight in order to settle other minor questions.

(4) The Intelligence Bureau of the Waichiao Pu has been absorbed in the Treaty Department under the reorganization scheme.

(5) The proposal to appoint General Chang Hsun to the post of Inspecting Commissioner of the Yangtsze provinces has met with strong protests from General Chi Hsieh-yuan, Tuchun of Kiangsu and General Chen Kwang-yuan, Tuchun of Kiangsi.

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From L. Date May 13, 19 21 Serial No. 304 (Commence new series each January 1st.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

Basis.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) The fifty Articles in the Sino-Russian Treaty agreement presented by Mr. Yourin, the Russian representative, have been read by W.W. Yen, Minister of Foreign Affairs and submitted to Liu Chen-jin, chairman of the Sino-Russian Treaty Committee, for further consideration. The result of which is, that only forty-nine Articles are accepted. It will be submitted to the Cabinet but the signing of the agreement will have to wait until the attitude of other nations is known.

(2) The Director of the Canton Railways, Mr. Hsu Chung-hao, is considering a foreign loan of $15,000,000 for the construction of the section up to Shaokwan, a scheme which is said to be opposed by the shareholders of the company. The Civil Governor of Kwangtung is to be asked to aid in the matter.

(3) After his inauguration as "President", Sun Yat-sen called a meeting at which all the important officials under him were present. The reorganization of the army and the financial situation were discussed with the result that the citizens army will be divided into ten divisions and hereafter will be known as the National Army; commemoration notes of $2,000,000 and ten years bonds of $1,000,000 should be issued. It is expected to subscribe another million from Chinese capitalists and merchants in foreign colonies.

(4) The Three Military Leaders in Peking are endeavoring to find a solution for the dispute in Honan between Tuchun Chao Ti and General Feng Yu-hsiang, whose troops are now stationed at Chumatien. It is feared that unless some compromise is reached, further conflict will take place between these two Generals.

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From X. Date May 16, 1921 Serial No. 305 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) The Ministry of Justice has drawn up the regulations governing the organization of a Special Court in Shanghai and has asked the Ministry of Foreign Affairs to negotiate with the Diplomatic Corps in regard to this matter.

(2) In regard to the Japanese soldier who was accidentally shot by Chinese troops at Hunchun, the Japanese Government has presented the following three demands to the Government: (1) A compensation of $20,000; (2) Apology from the Chinese High Military Officers at Hunchun to the corresponding Japanese Military Officers there; (3) Punishment for the offenders. It is learned that the Government will reject the demands on the ground that the Japanese soldier in question had no right to come within the Chinese military defensive line.

(3) The following members have been appointed to form the new Cabinet: Premier, Chin Yun-peng; Foreign Affairs, Yen Wei-ching; Navy, Li Ting-hsin; Justice, Tung Kan; Education, Fan Yuan-lien; Agriculture and Commerce, Wang Hai-ping; Communications, Chang Chih-tan.

(4) The Ministry of Foreign Affairs has begun the drafting of a new set of regulations governing the residence of Russian subjects in Chinese territory, so as to prevent the partisans from creating trouble in China.

(5) It is reported that the Government is negotiating with the Japanese capitalists for a new forestry loan of $8,000,000. The terms of the agreement have been fully discussed and formal signature will be affixed as soon as the new Cabinet is formed.

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From K. Date May 17, 1921 Serial No. 309 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) General Chang Tso-lin has pointed out to the President the necessity of converting Mongolia into provinces in order to prevent future disorders. The President endorses the opinion of the Military Inspector General and has promised that, as soon as the present trouble in Mongolia is settled, the scheme will be put into operation and that all the expenses will be borne by the Government.

(2) Mr. Li Shih-wei, the newly appointed Minister of Finance, arrived in Peking yesterday afternoon and went immediately to see the President and Premier. So far Mr. Li has not yet expressed his willingness to assume office. Mr. Fam Yuan-lien, the Minister of Education, has also not as yet accepted his post.

(3) It is reported that through the intercession of General Pao Kuei-ching and General Meng En-yuan, Chang Tso-lin proposed to Tsao Kun that Tuan Chi-kuei, one of the Anfu leaders, should be pardoned in order to bury his father. At first Tsao Kun refused to listen but Chang Tso-lin again went to see Tsao with Generals Pao and Meng with the result that Tsao Kun unwillingly withdrew his objection if the President and Premier should feel inclined to grant a pardon to Tuan Chi-kuei.

(4) The Government has received a telegram from the Kirin Provincial Assembly stating, that since the occupation of the five districts in Chientao by Japanese troops, the people have suffered untold miseries under the hands of the Japanese. Innocent persons are murdered and peaceful inhabitants are arrested as bandits. A warning was given the Government that unless active steps be taken the five districts will soon become Japanese territory.

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Opnav.	State	Commerce	M. I. D.	Gen. Board	War College	Bunav.	Bur. Ord.	C. & R.	Eng.	Y. & D.	S. & A.	M. & S.	H. O.	Monograph	Desk		File

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From K. Date May 16, 19 21 Serial No. 313 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) As Tsai Chen-hsun has been appointed Minister of War, General Ma Fu-hsiang will probably leave within a few days to take up the post of Tartar-General of Suiyuan.

(2) As the Dragon Festival is approaching, Li Shih-wei is not so very anxious to assume his post as Finance Minister as he will have to provide at least $15,000,000 to pay the various expenses of the Government. It is stated that Mr. Li cannot see any way to raise this huge sum.

(3) It is said that General Chang Tso-lin will place one of his men in the post of the Superintendent of the Metropolitan Police and Tsao Kun, in order not to be left out, is to have one of his Lieutenants to look after the Aeronautic Department.

(4) Wu Ching-heng has been mentioned by one of the three warlords for the post of Vice Minister of the Navy but another contends that Lin Pao-yi, the commander of the Southern Navy, is much preferable on account of his close relation with the naval officials in the South. It is hoped that with his appointment as Vice Minister, the independent fleet will surrender to the North.

(5) In spite of the inauguration of the new Cabinet, there is absolutely no enthusiasm on the part of the appointees to take up their respective posts. The situation thus created is causing anxiety to the President and Premier. The three warlords have not yet left the capital but will wait until all the Ministers have taken up their posts.

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From X. Date May 19, 1921 Serial No. 317 (Commence new series each January first.) File No. 102-100 (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) According to late reports from Urga, the relations between the Russian reactionary, Baron Ungern, and the Living Buddha are going from bad to worse, and the former is busily engaged in recruiting new soldiers with whom he is said to be going to attack Baikal. He is reported to have already taken Maimaicheng where many lives have been lost and much property destroyed.

(2) It is stated that the Ministers of Interior and of the Navy will assume office today, while the Minister of War, Tsai Chen-hsun, has gone to Suiyuan to wind up his affairs before assuming the Ministership. It is expected Chang Chi-tan will assume office as Minister of Communications tomorrow, and that Pan Fu will act as Finance Minister pending the arrival of Li Shih-wei who, it is reported, has not decided to take up the post, giving as his excuse, that he is at present too sick to come to Peking. It is expected that he will assume office in a few days.

(3) The continuation of work on the construction of the Chuchow-Hengshow section of the Canton-Hankow Railroad will not be affected by the change in the Minister of Communications. The Ministry will continue to provide $400,000 a month for the expenses of construction.

(4) It is learned that Cantonese troops are concentrating at Samsui and a general attack on Kwangsi will soon be launched. The leaders of Szechuan, Yunnan, Hunan and Kweichow are opposed to the resumption of hostilities between Kwangtung and Kwangsi and they will soon issue a circular telegram advising both parties to cease further civil strife.

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Opnav.	State	Commerce	M. I. D.	Gen. Board	War College	Bunav.	Bur. Ord.	C. & R.	Eng.	Y. & D.	S. & A.	M. & S.	H. O.	Monograph	Desk		File

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From E. Date May 20, 1921 Serial No. 318 (Commence new series each January first.) File No. 100-100 (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

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Resume of the Chinese Government activities in Peking.

(1) The warlords have decided to appoint General Chiang Kuei-ti, the Tutung of Jehol, as the Gigh Inspecting Commissioner of Kiangsu, Anhwei and Kiangsi and Chang Hsun will be appointed High Inspecting Commissioner of Jehol, Suiyuan and Charhar.

(2) It is stated that the new Sino-German Treaty, which has been under discussion for some time, will be signed early next week.

(3) Four measures have been devised for the adjustment of the financial situation by the Government: (1) To readjust the stamp tax so as to realize at least $30,000,000 per annum; (2) To abolish the likin tax so as to establish a general office for collecting revenue; (3) To obtain better results for the Bank of China and Bank of Communications by appointing efficient men to manage those banks; (4) In order to insure credit for the redemption of bonds, it has been decided to offer mines or the proceeds from the railways as security for a loan.

(4) In spite of all his professions not to take up the post of Finance Minister, Li Shih-wei has decided to assume office. It is stated that he has obtained a Japanese loan of $5,000,000.

(5) Work for the opening of the Hulutao harbor as a free trade port has commenced. The total cost is estimated to be $17,000,000, to be shared equally by the Government and Fengtien province.

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O. N. I. 96 ISSUED BY OFFICE OF NAVAL INTELLIGENCE, NAVY DEPARTMENT ROUTINE

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From K. Date May 21, 1921 Serial No. 219 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) The fight for the post of Tuchun of Kansu is again becoming very keen between Generals Ma Fu-hsiang and Lu Hung-tao. General Ma states that the Mohammedans will keep General Lu out and that the people of Kansu demand an able administrator.

(2) The Sino-German Treaty was signed at noon yesterday. In this new Treaty Germany consents to the abrogation of the consular jurisdiction in China and in a Declaration expresses her inability through force majeure to restitute to China all her rights and privileges in Shantung.

(3) It is reported from Hankow that Wang Kuang, manager of the Yangtsekiang Iron Mining Co. has made a new loan agreement of $3,000,000 with the Japanese with the mines as security. The agreement is to be signed after the next general meeting of the shareholders. According to the terms of agreement, the entire output of the mines will be monopolized by the Japanese.

(4) General Wang Chan-yuan finds it difficult to return to Hupeh owing to strong opposition from the people and many of his officers. Chang Tso-lin and Tsao Kun have proposed his appointment as High Inspecting Commissioner of Anhwei, Kiangsi and Kiangsu.

(5) It is said that orders have been issued to Generals Lu Yung-ting, Chen Ping-chun, Chen Kwang-yuan and Li Hou-chi, instructing them to send troops to suppress the Kuomintang in Canton.

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From K. Date June 2, 19 21 Serial No. 345. (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. Index.)

Source of information Agent.

Subject CHINA (HARBIN, MANCHURIA) (Nation reported on.) STATE. (Index title as per index sheet.) POLITICAL CONDITIONS. (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

1. Chinese Soldiers on Railway;
2. Bolshevik Policy;
3. Riche;
4. Kliorin.

OFFICE CHIEF OF STAFF
1921 2637-J-174
M. I. 25
WAR DEPARTMENT

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1. Chinese Soldiers on Railway.

A prominent official of the Railway Administration told me today that not a day passed without telegrams (two or three) coming in from points on the railway complaining of the outrageous conduct of the Chinese soldiers on guard. One one day, he said, three telegrams were received from one station, and each telegram concerning a separate piece of misconduct on the part of the Chinese soldiers.

The newspapers evidently do not give all these affairs, although practically every paper contains news of such acts. There is reason to believe, however, that the Russian newspapers fear the Chinese authorities, as the latter took steps some time ago to stop the papers printing news unfavorable to the Chinese police and soldiery.

The question of Chinese soldiers' misdoings along the railway line has been taken up by the Interallied Technical Board, but evidently without success.

My informant says that a Chinese officer and a Russian official will now accompany every train, for the express purpose of preventing the constant misunderstandings between Chinese and Russians.

He also stated that if the guards were Japanese, conditions would

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From K. Date 2 June, 19 21. Serial No. 345. (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. Index.)

Source of information

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be entirely different, and this is the universal opinion of the Russians. It may be safely stated that the majority of the Russians here, in fear both of the Chinese and the Chita bolsheviks, rely mainly on the fact of the Japanese garrison here for protection in case serious troubles should arise. Not that there is any love for the Japanese, or that the Russians wish to have them gain a footing here, but because they are disciplined and their conduct, in Harbin, is exemplary. The Chinese soldier is an eye-sore and a scandal.

Of course the majority may be fairly decent country fellows, but there are so many ruffians and they are so conspicious, that they give the general tone. Nor do the well-behaved ones have much values as police, as their instructions do not seem to go very far and they speak no words of any tongue but Chinese.

2. Bolshevik Policy.

Men who follow events closely here are of the opinion that now that the Soviet Government has made treaties with the European neighbors, it has made up its mind to devote all its energies to the Far East and the establishment of the bolshevik regime there, dirving out the Japanese. This view is borne out by a number

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of facts: the transfer of Soviet troops to the east, the overtures to China, the efforts to do away, in some way or other, with the Keppel troops, the sending of important Soviet workers to the Far East and the close control exercised over the Far Eastern Republic, and now the news that Trotsky is coming to Siberia and perhaps to Chita.

3. Eiche.

Eiche, the former commander-in-chief of the forces of the Far Eastern Republic, who has been removed from his position, is now being taken to Moscow to appear before a tribunal there in connection with speculation and contraband sale of spirits. Other military officials under him are also accused.

It is said that there have been serious conflicts of late between the "partisan", or guerilla detachments and the regular red troops from Russia under Eiche, and the antagonism has spread to the commanding officers. It is said that the friction between the head of the partisans, Seryshoff, and Eiche, was the cause of Eiche's removal. This act led to strong discontent among the bolshevik troops from Russia.

4. Kliorin.

This man was mentioned in a preceding report as always having

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had great influence on Americans coming here to get in touch with the situation. It was pointed out that besides being extremely pro-bolshevik, he was also being prosecuted in the court under criminal charges.

The afternoon paper "Zarya", which is a sensation and scandal monger, has now raked up this old story, giving as a reason that the Novosti Jizni attacked it. The story is given at great length and in half a dozen instalments. I have had it read carefully and a digest made, on going over which I find that it is not very clear and definite and therefore hardly worth while to report on, though blackmail seems to be the chief charge.

The Zarya states that in connection with these disclosures the Harbin Commercial Club is considering excluding Dr. Chernyavsky, editor of the Novosti Jizni, about whom I also reported at the time.

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2657-J-1225

From Ka Date May 25, 1921 Serial No. 320 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS. (Subtitle.)

M. I. 2

Reference

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2657-J-1225

WAR DEPARTMENT

Resume of the Chinese Government activities in Peking.

(1) The Tuchun of Kirin has wired to the Government stating that in western Manchuli 1,000 Russians and 600 Mongols have made their appearance under the command of Baron Ungern and that troops have been despatched to check their advance.

(2) Information from official circles states that the Tibetan situation has grown serious, the Szechuan borders being chiefly affected. A Tibetan Commission is to be organized to discuss adequate methods for dealing with the situation, and General Chang Kwang-chien has been suggested as chairman.

(3) The political situation in Peking is rather critical in spite of the Conferences of the Super-Tuchuns and it is rumored that the breach between Generals Chang Tso-lin and Tsao Kun is widening, due to the appointment of Chang Hsun for the post of Inspecting Commissioner of Jehol, Suiyuan and Charhar. Information from Mukden states that General Wu Pei-fu is moving his troops nearer Peking and that General Feng Yu-hsiang is also on the move for some unknown places. General Chang Tso-lin's troops at Tungchow are becoming too numerous for the existing barracks to accommodate them. The merchants and bankers are endeavoring to patch up the breach by requesting these warlords to remain in Peking longer in order to settle their differences.

(4) Chu Tung-feng, Fu Liang-tso, the Anfu military leaders, have been released on bail. The pardon of Tuan Chi-kuei is said to have been granted and will be announced in the near future.

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From K. Date May 24, 1921 Serial No. 322 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) The Government has issued an official statement that there is no truth of an impending conflict between the Fengtien and Chihli factions but information from official sources illicit the fact that both Chang Tso-lin and Tsao Kun have decided to leave Peking without coming into complete understanding with each other, which, will in time develop into open feud and eventually to armed conflicts. Owing to the mediation of Premier Chin both warlords have decided to stay on to settle their differences.

(2) Premier Chin is said to have decided the disbandment question and to reduce the troops to sixty divisions. The following plans for securing employment of these discharged soldiers are as follows:(1) Thirty per cent are to be used as police; (2) Twenty-five per cent for agricultural purposes; (3) Fifteen per cent as workmen in factories; (4) Thirty per cent for building roads and bridges.

(3) It is reported that one of the Super-Tuchuns has made an intimation to the Government that unless $4,000,000 is forthcoming for the payment of troops in four days, he would raise a joint campaign with their provinces to press the Government for other funds. The Government has already promised to do its utmost to grant his request.

(4) Ting Chin, the Director of the Aeronautic Department, is contemplating contracting a second aerial loan of $2,000,000 to degelop the aerial service and intends to offer the commercial aerial service between Peking and Shanghai as security.

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From L. Date May 25th, 19 21 Serial No. 323 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) On his unsuccessful attempt to retain the portfolio of Minister of Communications, Mr. Yeh Kung-cho has been working strenuously to baulk the Minister of Finance and the Government from obtaining funds for military and administrative expenses. It is said that Li Shih-wei has succeeded in obtaining $5,000,000 when he consented to assume the office as Finance Minister but the old Chiaotung clique, of which Mr. Yeh is one of the leaders, prevented this transaction from going through. The old Chiaotung clique controls the Banking union and nine of the most important banks in Peking as is also the Peking Stock Exchange.

(2) The negotiations for the revision of the Commercial Treaty between China and Mexico are not proceeding smoothly owing to the hesitation on the part of the Mexican Government to agree to the revision of the clause concerning Chinese immigrants. The revision is intended to secure better safeguards for Chinese immigrants.

(3) The Government has decided to appoint Mr. Ma Lin-yih as the Vice Minister of Education and Mr. Ma will act as Minister pending the selection of a new Minister.

(4) The preliminary parliamentary elections in Hupeh have been completed. The reason for the desire of General Wang Chan-yuan to return to Hupeh as soon as possible is that his presence is needed for the final elections.

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From X. Date May 26, 1921 Serial No. 324 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE POLITICAL CONDITIONS (Index title as per index sheet.) (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) As the lease term of Weihaiwei has now expired, the British Government is discussing its renewal. General Tien Chung-yu, the Tuchun of Shantung, informed the Government that the British Consul at Hongkong arrived at Weihaiwei a few days ago to visit the commander of the British fleet and discussed the matter with him. The result of their discussion is to ask their Home Government for instructions and to demand the opening of a free port opposite Hongkong in case the renewal of the lease fails.

(2) The proposal to negotiate a loan to the amount of $15,000,000 for administrative expenses does not meet with the approval of the Government. It is said that the loan is to be secured by the Chinese Eastern Railway. A Japanese, named Matsumoto, has suggested the offer of $5,000,000 to be used as capital for the southern section of the railway.

(3) By a Presidential Mandate, Tuchun Chen Shu-fan of Shansi is replaced by General Yen Hsiang-wen who is one of Tsao Kun followers and Chuan Liang, Director of the Kirin-Huining Railway, is to be superceded by Lu Meng-hsiung.

(4) The difference between the warlords was adjusted at the meeting last night. Chang Tso-lin agreed to drop Chang Hsun's appointment as Inspecting Commissioner of Jehol, Suiyuan and Charhar.

(5) The student organizations in Shanghai cabled to Mr. Lloyd George, the British Parliament and the leading British papers, protesting against the renewal of the Anglo-Japanese Pact and threatening to adopt an anti-British boycott if the renewal is effected, thereby infringing China's sovereignty.

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From I. Date 27 May, 19 21. Serial No. 337 (Commence new series each January first.) File No. 105-100 (Select proper number from O. N. I. Index.)

Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per Index sheet.) POLITICAL CONDITIONS. (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resumé of the Chinese Government activities in Peking.

(1) Under the instruction of Marshal Tsao Kun, General Wu Pei-fu will proceed to Tsinanfu to inspect and review the troops in that province next week. Tuchun Tien Chung-yu has given order to the Shantung forces to be prepared for the review and the people are making arrangements to give General Wu a hearty welcome as Wu is one of their provincials.

(2) Through Wu Pei-fu's recommendation, General Yen Hsiang-wen of the 20th Division has been appointed Tuchun of Shensi and it is feared that Tuchun Chen Shu-fan will refuse to relinquish his post. General Feng Yu-hsiang has been ordered to move his troops from Hsinyang for Shensi to-morrow and the seventh Division, formerly under Chang Chin-yao and now under the commander of Wu Hsin-tien, will also leave for Shensi. Force will be used to oust Chen Shu-fan if necessary.

(3) Chang Yi-ting has been appointed Commissioner of Foreign Affairs in Jehol.

(4) The reactionaries in Mongolia are intercepting the Mongol deserters, confiscating their cattle and horses. The population is hostile towards Ungern who is now in Urga.

(5) It is stated Chang Hsui-chi, Chief of the General Staff, will be appointed Tuchun of Kansu and General Lu Hung-tao will act as Civil Governor.

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From I. Date 28 May, 19 21. Serial No. 250 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. Index.)

Source of information Local Chinese and Foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per Index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resumé of the Chinese Government activities.

(1) The financial stringency having reached its climax, the financial authorities have wired the following province to remit to the Central Government funds at their earliest convenience: Shantung $250,000; Kiangsu, $8,000,000; Chekiang, $300,000; Fukien $300,000; Honan $250,000. Of the above, it is said only half the amount demanded may be expected from Shantung and Honan, while remittances from the other provinces are quite hopeless.

(2) The Peking Union of Public Bodies has sent a resolution to General Chang Hsun, warning him that to assume office in the Government would only mean more trouble for him in the future and that his present office seeking venture is ill-timed.

(3) The Teachers Union held a meeting yesterday and passed a resolution that they will not accept any appointment in the government schools unless the Government accedes to their original request for a guarantee that the expenses will be paid regularly and that funds from Japanese sources will not be accepted for payment of their salaries. The Middle and Primary Schools have also closed their doors in support of the other higher institutions.

(4) Several small loans averaging about $200,000 have been concluded by the Government with the Peking and Tientsin banks in the last few days, totalling about $1,200,000 and the security is the Government holding in the Bank of China.

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N.N.I. 66

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From X. Date 30 May, 19 21. Serial No. 555 (Commence new series each January first.) File No. 165-100 (Select proper number from O.N.I. Index.)

Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE. (Index title as per index sheet.) POLITICAL CONDITIONS. (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O.N.I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resumé of the Chinese Government activities.

(1) It was decided that the elections should be postponed but not cancelled. It is the Premier's intention to make the new Parliament a real National Assembly. He has requested Wang Chan-yuan to persuade the four southwestern provinces to hold the parliamentary elections when he resumes negotiations with their representatives after his return to Tuchang.

(2) General Chen Shu-fan, the retiring Tuchun of Shensi, has wired to the Government stating that it requires three months for the reorganization of his troops and that the southern forces are still disturbing the peace of the province. At the same time he asks that General Yen Hsiang-wen should not proceed to Shensi to take up his post for the present. This is undoubtedly a defiance of the Government's order in a polite manner.

(3) It is reported that General Hsiung Ko-wu has fled from Chengtu and is now on his way to Hankow. Before leaving, he handed over his office to General Liu Hsiang. General Wang Chan-yuan has ordered his subordinates to accord General Hsiung all honors when he arrives at Hankow.

(4) Owing to financial stringency, the Government has decided to postpone indefinitely the house tax which was to have taken effect on the 1st of last month.

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From X Date May 31, 1921 Serial No. 339 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local foreign and Chinese newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) The Government has wired to the Chinese Minister in Washington instructing him to take up with the Minister of Argentine negotiations for a treaty with China. The initiative, it is learned, came from the Argentine Government.

(2) The Government isbecoming anxious as the Dragon Festival approaches, when the military arrears amounting to something between six to seven millions dollars must be paid. Li Shih-wei, the new Minister, is reported to be busy negotiating two loans from Peking and Tientsin banks for $5,000,000 and if one of them can be concluded Mr. Li will assume his post immediately.

(3) Owing to the non-payment of their salary for more than twenty months, the Department Chiefs and clerks of the General Staff held a meeting yesterday. As there is no one responsible for the payment, the result of the meeting was, that they should resign en bloc and to demand that the Government should fix a date for the full payment of arrears.

(4) General Liu Hsien-shih, the former Tuchun of Kweichow, in an attempt to regain his power in the province, was seriously defeated and General Lu Tao, the present Tuchun, is requesting the support from various quarters in order to cope with future attempts.

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From K. Date June 1, 1921 Serial No. 340 (Commence new series each January first.) File No. 105-100 (Select proper number from O. N. I. Index.)

Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) Chang Tso-lin left for Mukden yesterday at 5.45 p.m. It has been definitely settled that Inner and Outer Mongolia should come under his control.

(2) Yesterday fifty teachers and officers gathered at the Ministry of Education in an attempt to interview the Vice Minister in regard to the immediate payment of the salaries due them up to the time that they resigned.

(3) It is reported that the Chinese and Mongols consider the war ended and troops of both sides are preparing to take a rest. About 2,000 Chinese troops are marching toward Kalgan while the Mongols have also retired from the Pangkiang front.

(4) General Lu Yung-ting, Tuchun of Kwangsi, has telegraphed to the Minister of War, stating that his troops are not strong enough to attack Kwangtung, although they are sufficient to protect the province from any invasion from Kwangtung. He asks the Government to persuade the Kiangsi and Fukien forces to join him in order that there may be no doubt as to the outcome.

(5) The people of the various provinces have strongly protested against the new regulations promulgated by the Government. The Chamber of Commerce of Shansi wired, stating that the new Mining Industry Act is detrimental to their interests and that it should be repealed.

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From K. Date June 2nd, 19 21 Serial No. 344 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. Index.)

Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) Educational circles throughout China have recently been endeavoring to appeal to the foreign powers for handing over the Boxer Indemnity for educational purposes. The Central Government is in receipt of two more telegrams from the Self-Government Union in Szechuan and the Educational Association in Kwangsi, requesting that the different friendly powers be asked to return the Boxer Indemnity for educational purposes in China.

(2) The Tuchun of Kirin has reported that the Japanese Government is importing arms into the Hunchun districts, which are to be distributed to the military police for the purpose of controlling Koreans and that he has protested to the Japanese consul repeatedly but without avail.

(3) Owing to the frequent quarrels between the Living Buddha and Ungern, the Living Buddha has sent another representative to Peking for the conclusion of a peace treaty with Mongolia. It is stated that one of the conditions is that Mongolia should be made a self-governing area under the direct control of Peking which shall not interfere with the Mongolian domestic affairs.

(4) Premier Chin has decided to hold concurrently the post of Minister of Finance while Pan Fu, the Vice Minister, will perform the work. A Mandate granting sick leave to Li Shih-wei will be issued in a day or two in order to give Li Shih-wei ample time to float a loan before assuming the post.

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From X. Date June 3, 19 21 Serial No. 347 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) The signing of the Kirin-Huiming railway loan agreement has been officially denied by the Ministry of Communications but the Japanese are still discussing the matter, saying that the Chinese Government has absolutely approved of the negotiation.

(2) It is reported that the Living Buddha has made the following terms with the Japanese for a loan with the gold mines in Mongolia as security: (1) Amount of loan, Yen 3,000,000; (2) Discount, issued at 92; (3) Expenditures and uses,: military administration and ammunition; (4) Date of redemption, 3 years; (5) Interest, 1 per cent; (6) Security, beside the mines which have been opened, other gold mines not yet opened are included; (7) Money to be delivered at Harbin, Manchouli and Dairen.

(3) General Feng Yu-hsiang has telegraphed to the Peking-Hankow Railway Administration for five full trains of cars for transporting troops. Other troops are on their way to Shensi to oust the Shensi Tuchun and it is believed that Tuchun Chen Shu-fan will not resist in view of the tremendous odds against him.

(4) It is reported that the Angol-Japanese and the Shantung problem are causing popular unrest in Hankow and Wuchang among the students and other Unions against the Japanese. A new boycott against the Japanese has been widely advocated.

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SUBJECT POLITICAL AND SOCIAL CONDITIONS IN CHINA.

SERVICE REPORT.

From CHINA.

No. 2833 Date JUNE 9, 1921, 19

Replying to No. Date, 19

REC'D, M. I. B., O. C. S. JUL 19 1921

The following is a report prepared by George E. Sokolsky, resident of Shanghai and well-informed generally regarding conditions in China. (May 25, 1921). It is thought especially useful for Monograph material.

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It is difficult to make a survey of political and social conditions in China at this time with any degree of exactness in view of general mass apathy. To my mind this condition is entirely superficial. The people do not have a clear idea of what course to take and are therefore inactive. They have lost faith in their leaders and are without a definite program. Neither Sun Yat-sen nor Wu Pei-fu attract popular support. Both might be classed as among those men who could have led had they been slightly more courageous and better informed of conditions in the country. Neither Sun Yat-sen nor Wu Pei-fu are close to the people. Both receive their impressions from second-handed and perhaps inferior sources. The student Movement is inactive and no longer potent as an organized political force, although it still maintains an organization. The radical merchant groups have been weakened by the fall in exchange and the general business depression. They have been forced to attend more strictly to business which has to a considerable extent lessened their political usefulness. On the other hand the more conservative merchant groups have come into closer contact with the radicals and have to some extent lost much of their former viewpoint. The inability to transport sheepskins from Szechuan to the Shanghai market with safety has done much to convince the conservative that all is not as it should be in China. He wants a government which will protect him. Furthermore he has invested much of his capital in industry which requires governmental protection. Since the present governmental system does not provide such protection, he wants the system changed. The laborer is imbibing information with regard to the economic class struggle in other parts of the world, but is not very active. In Shanghai he is still under the social and political influence of the radical merchants. The intellectuals are uncertain of their attitude and are become decadent, much after the fashion of the Russians youth after the failure of the 1905 revolution. They are discussing sex questions rather than political and tend to pornographic literature. On the other hand, small groups of professionals among the intellectuals are devoting themselves entirely toward the development of industry, totally disregarding political matters.

Superficially this would indicate situation not unlike that which led to the annexation of Korea. But beneath the surface the fire of anti-Japonism is smouldering, and all that is required to blow it into a

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flame is some signal act on the part of the Japanese. The appointment of Li Shih-wei as Minister of Finance, it was believed, would produce such an outburst. But the Chinese have not yet reached a point of political probity which makes self-examination a necessity. They still are in the habit of blaming foreigners for all the ills of the country and for mitigating the evil acts of their officials on the ground that they were inspired by foreigners. Li Shih-wei is more or less safe until he actually attempts to sign a loan with the Japanese. Then he will probably meet the fate of the "Three Traitors." As a matter of fact, in Shanghai, preparations are being made for just such a contingency. Should Li Shih-wei or any other official sign the Kirin-Hweining loan, an outburst of active popular indignation will result. Although the students are not effective at this moment, they can be spurred into a repetition of their activities of 1919. This time their movement will not meet with such effective opposition from the conservative merchants, who are fast developing into what might, in Europe, be termed a class-conscious bourgeoisie. The organization of the Chinese Banking Group and the joining of all the Chambers of Commerce into a single national body with headquarters in Shanghai indicates such a possibility. The only impediment to this development lies with the Christian merchants. They are taking an almost anarchistic attitude toward the State. "nothing matters. It is all rotten, all immoral, all corrupt. Perhaps a war will break out between America and Japan to solve China's troubles." It can be seen readily how dangerous this viewpoint is. And because such important men as C. C. Nieh hold it, it may cause much damage.

The political parties in China are not inactive. The Anfu Club has disappeared, but the former Anfuites are still active in all directions. Particularly in Canton are they making headway through the close alliance of Sun Yat-sen with Tuan Chih-jui and "Little Hsu". Li Hou-chih in Fukien has also been assisting Chen Chun-ming. In Shanghai it is believed that Li and Chen are in opposition to Sun Yat-sen. For instance, General Hung Chao Lim, of Chen Chun-ming's army, in an address delivered in Hongkong a few days ago, attacked Dr. Sun. It is likely that he would take this attitude without the consent and knowledge of Sun Yat-sen. However, outwardly Sun Yat-sen and Chen Chun-ming must be friendly since divided they fall a prey to Kuangsi, which is vigilant for just such an exigency. As a matter of fact, the fear of Kuangsi is serving in the interest of Sun Yat-sen, for Cantonese wuld rather have him than Kuangsi --that is most of the people take that view.

However Sun Yat-sen and the Mintang party suffer from their alliance with the Anfuites. The question is naturally asked how Sun can at the same time work with the Japanese agents and remain anti-Japanese. Dr. Sun's reply is that the Anfuites are not really pro-Japanese, that they were misled by the President, who is the real agent of Japan in China. He maintains that were it not for the Japanese the Anfuites could not have been driven out of office. It undoubtedly served Japan's purposes to have Tuan humiliated; otherwise it would not have happened. According to him, Peking is entirely dominated by Japan and no actions can occur there without Japan's sanction. Japan has therefore elevated Chang Tso-lin, because Tuan, having accepted his (Sun's) principles was no longer of any use to them.

This view may be correct, but it is difficult for the Chinese people to accept it. The feeling against the Pro-Japanese element is so fundamental now that no man can associate himself with men tainted by pro-Japanism without suffering popular ill-will. Dr. Sun is known to be honest, but he is not credited with political acumen. The masses simply feel that his bitterness toward Kuangsi has corrupted his vision until he can only recognize one enemy and is therefore able to form friendships with men, whom otherwise he would have despised. Unless Sun Yat-sen breaks with the Anfu crowd his usefulness as a leader of the Chinese people will constantly be lessened.

On the other hand, for the President, the Premier and the Chihli-Fengtien group the people have no respect at all. They regard these men as being as bad as the Anfuites without the latter's ability. The Premier was at

one time not disliked, but his unwillingness or inability to resign at the time of the Tientsin Conferences has not done him much good. He has destroyed the last vestiges of respect for himself. The President on the other hand is regarded as a monarchist in disguise and is hated everywhere. Chang Tso-lin is looked upon as a traitor and Tsao Kun as a selfish weakling. Wang Chan-yuan is entirely ignored in this part of China. It is a source of amusement that the other warlords made him important by asking him to the Tientsin Conference. Should another popular movement arise soon, it is not unlikely that these men will be ~~xxx~~ singled out as another treasonable triumvirate. But in their case talk here is not for resignations but for heads.

The old Chiaotung Group has again come into favor; that is, Yeh Kung-cho is fast becoming a sort of popular hero because of his attitude in t the last cabinet crisis. It is not forgotten however that this group is headed by Liang Shih-yi and is supposed to have supported the Yuan Shih-kai monarchy plot. However, on all sides one hears now that these men are more patriotic and efficient than other officials and should be supported in preference to other groups.

The New Chiating Group (Tsao Ju-Ling, Lu Tsung-yu, etc.) is being closely watched. It is generally felt that their return to power would indicate a strengthening of the Japanese power in China and a weakening of the Consortium, perhaps even the end of the Consortium. Mr. Stevens' departure for America at this time is also regarded as a factor in this situation. The statement that he had always planned to leave about this time is not accepted as valid by the Chinese people. Also the statement emanating from Japanese sources that Japan will not lend money to Peking officials because of China's unpaid debts to her, is not accepted as valid. It is pointed out that when Mr. Nishihara made his loans he knew that China would not be able to pay. The loans were made because China could not pay, with a view toward getting more out of her for the compounding of the debts. Otherwise what was the value of the Nishihara loans to Japan? It is believed then that Li Shih-wei is a forerunner of Chang Hu, as Minisert of Finance and that he will be succeeded by Tsao Ju-lin, who will carry out private agreements made between himself and his group with the Japanese, but which are now unfulfilled because of the accidental elimination of the New Chiating ~~xxxx~~ Group in 1919.

The Tsensheuhwei Party is quite active, having received funds from the President to fight Sun Yat-sen. They are particularly active in Yunnan and Hunan with a view toward weakening the influence of the Canton government in those provinces. They are not held in much regard in Shanghai, nor anywhere else so far as I can gather. They give interesting dinners and try to mingle with public men, but they are not at all successful. Yang Wing-tai, formerly Civil Governor of Kwangtung, seems to be the real leader in this Group, although the nominal head is still Tsen Chun-hsuan. Li Kan-yuan is inactive, worrying most of the time about the possibility of his assassination by an agent of Sun Yat-sen. Wen Tsung-yao is not exactly a partisan of this group although he is popularly supposed to be. He is now rather an agent of President Hsu. Chen Chun-tao is the representative of the Tsensheuhwei in Peking.

The Yensheuhwei (formerly Chinputant) is still very active. In Shanghai, Hangchow and Nanking it tries to attract to itself students and intellectuals. Liang Chih-chao is still regarded by many as the "brains" of China, although his apparent insincerity at Paris has cost him deeply in popularity. Hsiung Shih-ling is looked upon as the real leader of this party, but since he is regarded as a sort of compradore for the British, he is not respected very highly by the people. This party is recognized as pro-British and as being publicly anti-Japanese but privately willing to compromise. It is demagogic and opportunistic and is generally not trusted.

In Canton and Hangchow groups of intellectuals are calling themselves radicals. Some even refer to themselves as Bolsheviks. But they are not a political party. They are frightening radical merchants into conservatism and generally serve to defeat their own ends by their extremism. The greatest weakness in these groups lies in their presumption that the basis of social

justice is sex reform and that before all else is done in China the Family system must be destroyed. These young men might have been an important factor in the fight against Japan, had they not been side-tracked by poor Japanese translations of Russian brochures. But they are not to be altogether disregarded, for they are young and sincere and will sooner or later learn what the Russian experiment has really been. From that they will come to a decision as to what is practicable in China.

In all of these political groups no single individual appears who can sufficiently thrill the imagination of the populace to be worshipped as a hero. Perhaps as the Chinese say the time is not yet ripe. No man is of sufficient strength to unite any number of political groups behind him. The radical merchants indicate that should a popular movement take place, it will be directed by individuals now not well-known and will be supported by groups now inactive. The issue will undoubtedly be anti-Japanism and except for those who are directly associated with Japanese interests, it is felt, no one will dare to oppose it when sufficient strength has been manifested. Again and again those who are striving to start another popular movement like that of 1919 insist that the issue will not be unity of the country, popular control of the government, constitutionalism, local self-government or any of the questions discussed now. It will be centered entirely on the question of Japan's influence in China and will extend beyond 1922 when the lease of the South Manchuria Railway ought ordinarily to lapse.

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The Rape of Kwangtung

M. I. 2.

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Distributors

THE CHINA TRADE BUREAU
2844 Woolworth Building
New York City

Hinterlands in China

By PROF. JOHN DEWEY

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One of the two Presidents of China—it is unnecessary to specify which—recently stated that a renewal of the Anglo-Japanese alliance meant a partition of China. In this division, Japan would take the north and Great Britain the south. Probably the remark was not meant to be taken literally in the sense of formal conquest or annexation, but rather symbolically with reference to the tendency of policies and events. Even so, the statement will appear exaggerated or wild to persons outside of China who either believe that the Open Door policy is now irrevocably established or that Japan is the only foreign Power which China has to fear. But a recent visit to the south revealed that in that section, especially in Canton, the British occupy much the same position of suspicion and dread which is held by the Japanese in the north.

Upon the negative side, the Japanese menace is negligible in the province of Kwangtung, in which Canton is situated. There are said to be more Americans in Canton than Japanese, and the American colony is not extensive. Upon the positive side the history of the Cassel collieries contract is instructive. It illustrates the cause of the popular attitude toward the British, and quite possibly explains the bitterness in the remark quoted. The contract is noteworthy from whatever standpoint it is viewed, whether that of time, of the conditions it contains or of the circumstances which accompany it.

Premising that the contract delivers to a British company a monopoly of the rich coal deposits of the province for a period of ninety years and —quite incidentally of course—the right to use all means of transportation, water or rail, wharves and ports now in existence, and also to "construct, manage, superintend and work other roads, railways, waterways as may be deemed advisable"—which reads like a monopoly of all further transportation facilities of the province—first take up the time of the making of the contract. It was drawn in April of last year and confirmed a few months later. It was made, of course, with the authorities of the Kwangtung province, subject to confirmation at Peking. During this period, Kwangtung province was governed by military carpet-baggers from the neighboring province of Kwangsei,* which was practically one of the southern provinces allied with the northern government, then under the control of the Anfu party. It was matter of common knowledge that the people of Canton and of the province were bitterly hostile to this outside control and submitted to it only because of military coercion. Civil strife for the expulsion of the outsiders was already going on, continually gaining headway, and a few months later the Kwangsei troops were defeated and expelled from the province by the forces of General Chen, now the civil governor of Kwangtung, who received a triumphal ovation upon his entrance into Canton. At this time the present native government was established, a change which made possible the return of Sun Yat-sen and his followers from their exile in Shanghai. It is evident, then, that the collieries contract giving away the natural resources of the people of the province, was knowingly made by a British company with a government which no more

*Commonly spelled "KWANGSI"

represented the people of the province than the military government of Germany represented the people of Belgium during the war.

As to the terms of the contract, the statement that it gave the British company a monopoly of all the coal mines in the province, was not literally accurate. Verbally, twenty-two districts are enumerated. But these are the districts along the lines of the only railways in the province and the only ones soon to be built, including the as yet uncompleted Hankow-Canton Railway. Possibly this fact accounts for the anxiety of the British partners in the Consortium that the completion of this line be the first undertaking financed by the Consortium. The document also includes what is perhaps a novelty in legal documents having such a momentous economic importance, namely, the words "etc." after the districts enumerated by name.

For this concession, the British syndicate agreed to pay the provincial government the sum of $1,000,000 (silver, of course). This million dollars is to bear six per cent. interest to the company, and capital and interest are to be paid back to the company by the provincial government out of the dividends (if any) it is to receive. The nature of these "dividends" is set forth in an article which should receive the careful attention of promoters elsewhere as a model of the possibilities of exploiting contracts. The ten million capital is divided equally into "A" shares and "B" shares. The "A" shares go unreservedly to the directors of the company, and three millions of the "B" shares are to be allotted by the directors of the company at their discretion. The other two million are again divided into equal portions, one portion representing the sum advanced by the company to the province and to be paid back as just specified, while the other million—one-tenth of the capitalization—is to be a trust fund the dividends of which are to go for the "benefit of the poor people of the province" and for an educational fund for the province. But before any dividends are paid upon the "B" shares, eight per cent. dividends are to be paid upon the "A" shares and a *dollar a ton royalty* upon all coal mined. Those having any familiarity with the coal business with its usual royalty of about ten cents a ton can easily calculate the splendid prospects of the "poor people" and the schools, prospects which represent the total return to the provinces of a concession of untold worth. The contract also guarantees to the company the assistance of the provincial government in expropriating the owners of all coal mines which have been granted to other companies but not yet worked. These technical details make dry reading, but they throw light upon the spirit with which the British company undertook its predatory negotiations with a government renounced by the people it professed to govern. In comparison with the relatively crude methods of Japan in Shantung, they show the advantages of wide business experience.

As for the circumstances and context which give added menace to the contract, the following facts are significant. Hongkong, a British crown colony, lies directly opposite the river upon which Canton is situated. It is the port of export and import for the vast districts served by the mines and railways of the province. It is unnecessary to point out the hold upon all economic development which is given through a monopolistic control of coal. It is hardly too much to say that the enforcement of the contract would enable British interests in Hongkong to control the entire industrial development of the most flourishing of the provinces of China. It would be a comparatively easy and inexpensive matter to provide the main land with a first class modern harbor and port near Canton. But such a port would tend to reduce the assets of Hongkong to the possession of the most beautiful scenery in the world. There is already fear that a new harbor will be built. Many persons think that the concession of building such railways, etc., "as are deemed advisable for the purpose of the business of the company and to improve those now existing" is the object of the contract, even more than the coal monopoly. For the British already own a considerable part of the mainland, including part of the railway connecting the littoral with Canton. By building a cross-cut from the British owned portion of this railway to the Hankow-Canton line, the latter would become virtually the Hankow-Hongkong line, and Canton would be a way-station. With the advantages thus secured, the project for building a new port could be indefinitely blocked.

During the period in which the contract was being secured, a congress of British Chambers of Commerce was held in Shanghai. Resolutions were passed in favor of abolishing henceforth the whole principle of special nationalistic concessions, and of co-operating with the Chinese for the upbuilding of China. At the close of the meeting the Chairman announced that a new era for China had finally dawned. All of the British newspapers in China lauded the wise action of the Chambers. At the same time, Mr. Lamont was in Peking, and was setting forth that the object of the Consortium was the abolition of further concessions, and the uniting of the financial resources of the banks in the Consortium for the economic development of China itself. By an ironical coincidence, the Hongkong-Shanghai Bank, which is the financial power behind the contract and the new company, is the leading British partner in the Consortium. It is difficult to see how any of the British can henceforth accuse the Japanese of bad faith if any of the banking interests of that country should enter upon independent negotiations with any government in China.

By the time the scene of action was transferred to Peking in order to secure the confirmation of the central government, the Anfu regime was no more, and as yet no confirmation has been secured. The new government at Canton has declined to recognize the contract as having any validity. An official of the Hongkong government has told an official of the Canton government that the Hongkong government stands behind the enforcement of the contract, and that Kwangtung province is a British Hinterland. Within the last few weeks the Governor of Hongkong and a leading Chinese banker of Hongkong who is a British subject have visited Peking. Rumors were rife in the south as to the object of the visit. British sources published the report that one object was to return Weihaiwei to China—in case Peking agreed to turn over more of the Kwangtung mainland to Hongkong as a quid pro quo. Chinese opinion in the south was that one main object was to secure the Peking confirmation of the Cassel contract, in which case $900,000 more would be forthcoming, $100,000 having been paid down when the contract was signed with the provincial government. Peking does not recognize the present Canton government but regards it as an outlaw. The crowd that signed the contract is still in control of the neighboring province of Kwangsei and they are relied upon by the north to effect the military subjugation of the seceded province. Fighting has already, indeed, begun, but the Kwangsei militarists are badly in need of money; if Peking ratifies the contract, a large part of the funds will be paid over to them—all that isn't lost by the wayside to the northern militarists. Meantime British news agencies keep up a constant circulation of reports tending to discredit the Kwangtung government, although all impartial observers on the spot regard it as altogether the most promising one in China.

These conditions not only throw light on some of the difficulties spoken of in a previous article concerning the functioning of the Consortium, but they give an indispensable background for judging the actual effect of the renewal of the Anglo-Japanese alliance. By force of circumstances each government, even against its own wish, will be compelled to wink at the predatory policies of the other; and the tendency will be to create a division of spheres of influence between the north and south in order to avoid more direct conflicts. The English liberals who stand for the renewal of the alliance on the ground that it will enable England to exercise a check on Japanese policies, are more naive than was Mr. Wilson with his belief in the separation of the economic and political control of Shantung.

It cannot be too often repeated that the real point of friction between the United States and Japan is not in California but in China. It is silly—unless it is calculated—for English authorities to keep repeating that under no circumstances does the alliance mean that Great Britain would support Japan in a war with the United States. The day the alliance is renewed, the hands of the militarists in Japan will be strengthened and the hands of the liberals—already weak enough—be still further weakened. In consequence, all the sources of friction in China between the United States and Japan will be intensified. I do not believe in the predicted war. But should it come, the first act of Japan

—so everyone in China believes—will be to seize the ports of northern China and its railways in order to make sure of an uninterrupted supply of food and raw materials. The act would be justified as necessary to national existence. Great Britain in alliance with Japan would be in no position to protest in anything but the most perfunctory way. The guarantee of such abstinence would be for Japan the next best thing to open naval and financial support. Without the guarantee they would not dare the seizure of Chinese ports. In recent years diplomatists have shown themselves capable of unlimited stupidity. But it is not possible that the men in the British Foreign Office are not aware of these elementary facts. If they renew the alliance they knowingly take the responsibility for the consequences.

Text of the Cassel Collieries Contract

The text appended is the Cassel Agreement, to which the attention of our readers is especially drawn as an important document that has aroused considerable amount of interest in China. It goes to show how a group of British financiers tried surreptitiously to secure control of the economic wealth in the entire Province of Kwangtung through gaining merely a coal mining concession. By virtue of a first payment of $50,000 in gold the holders of the agreement claimed rights to do everything including the building of railroads.

AGREEMENT made this twenty-third day of April, One thousand Nine Hundred and Twenty, being the Ninth year of the Republic of China, Twenty-third day, fourth moon, BETWEEN The Government of the Province of Kwangtung in the Republic of China, represented by their Excellencies the Military and Civil Governors of the Province of Kwangtung (hereinafter called "The Kwangtung Government") of the one part and Major Louis Cassel (Retired) of Victoria in the Colony of Hongkong, an officer of the most Excellent Order of the British Empire and SUM PAK MING of Victoria, aforesaid gentlemen as trustees for and on behalf of a syndicate to be formed for the purpose of exploiting certain coal bearing districts in the said Province (hereinafter called "the Syndicate") of the other part, Whereby it is agreed by and between the parties hereto as follows:

1. The Kwangtung Government will permit the Syndicate to bore, examine, and survey such ground as the Syndicate may be advised, or have reason to believe, contains coal within the following districts (abutting over, or adjacent to, the Canton Hankow Railway and the Canton-Kowloon Railway), viz:—Nam Hoi, Pun U, Tung Koon, Po On, Sam Sui, Fa Yuen, Ying Tak, Ching Yuen, Yueng Shan, Lin Yuen Kuk Kong, Lok Cheong, Yue Yuen, Yan Fa, Chee Hing, Nam Hung, Fat Kong, Yung Yuen, Ko Ming, Tsang Shing, Tsung Fa, &c., And the Government will not after the date of the signing of this Agreement grant permits to any other person, firm or company to bore, examine, survey and mine in any of the districts above mentioned until the period set forth in clause (13) hereof shall have lapsed.

2. The Kwangtung Government shall cause this agreement to be provisionally signed and chopped, whereupon the Syndicate shall take all such steps as may be necessary to obtain the official sanction, and approval, thereto of the Central Government of China at Peking, and upon such sanction and approval being obtained the Kwangtung Government shall ratify this agreement and immediately thereupon the Syndicate shall deposit with the Kwangtung Government the sum of One hundred thousand dollars Hongkong Currency.

3. Within a period of nine months from the ratification aforesaid of this agreement the Syndicate shall, in the event of the said boring, examination and survey of the grounds in the districts aforesaid appearing to the Syndicate to justify the Syndicate so doing, float a Company to be called "The Kwangtung Collieries, Limited," with a nominal capital of Ten Million Dollars for the purpose of working coal mines in the said districts, and of dealing with the coal thereby procured and shall transfer to such Company all rights and benefits and liabilities of the Syndicate under this Agreement.

4. In the event of no such Company being floated by the Syndicate within the said period of nine months the Kwangtung Government shall be entitled to retain the said sum of One hundred thousand Dollars, and this agreement shall thereupon terminate; but in the event of such Company being floated a further sum of Nine hundred thousand Dollars (making with the said sum of One hundred thousand Dollars a sum of altogether One Million Dollars) shall be deposited within the said period of nine months by that Company with the Kwangtung Government, as security for the due carrying out by the company of its objects as set out in the memorandum and articles of association.

5. The said sum of One Million Dollars, when so deposited in pursuance of clause four hereof, shall bear interest at the rate of six per cent. per annum, which interest the Company shall be entitled to deduct from the dividends payable to the Kwangtung Government or its nominees in pursuance of the provisions of clause eight hereof. There

shall be further deducted from the dividends so payable to the Kwangtung Government or its nominees four per cent. per annum on the said sum of One Million Dollars for the purpose of forming an amortization or sinking fund which shall be exchanged in sums of not less than Ten Thousand Dollars for the "B" shares referred to in clause 8 hereof until the whole of the said sum of One Million Dollars shall be so received by the Company. If no dividend is payable the Kwangtung Government will not pay any interest on the said sum of One Million Dollars. If the dividend payable is not sufficient to pay the interest of the said sum of One Million Dollars, the Kwangtung Government will not make up the deficit. The deduction from the dividend for forming the amortization or sinking fund is similarly calculated. If the Company goes into liquidation the deposited money shall be returned by the Kwangtung Government and this agreement will determine.

6. The said sum of Ten Million Dollars (fixed as the nominal capital of the Company to be floated as aforesaid) shall be divided into one million shares of Ten Dollars each, half of which shall be classed as "A" shares and shall be allotted by the Directors of the Company who are of British Nationality in such manner as they may decide, but in pursuance of an agreement previously to be entered into with the Syndicate; the other half of such shares shall be classed as "B" shares and shall be considered as fully paid up shares and shall be allotted by the Directors of the Company who are of Chinese Nationality in such manner as they may decide (subject to the provisions of clause 8 hereof).

7. The articles of association of the said Company to be floated as aforesaid shall provide that, out of the profits of the Company, there shall be first paid all working expenses, a royalty not exceeding One Dollar per ton of all coal extracted and dealt with, all reasonable expenses to staff, sums properly payable to the Kwangtung Government, and interest at the rate of (8) eight per cent. per annum on the capital represented by the "A" shares to the holders thereof; and the remainder of the said profits as shall be declared available for dividend shall be paid by way of dividend to holders of "A" and "B" shares equally.

8. Upon the incorporation of the Company to be floated as aforesaid the Company shall make the following allotment of shares, namely:

(*a*) Fully paid "B" shares to the nominal value of One Million Dollars which shall be held by the Company in trust for the Kwangtung Government, the dividends on which shall (*inter alia*) from the amortization or sinking fund referred to in clause (5) hereof. As and when sums of not less than Ten Thousand Dollars are available in the said amortization or sinking fund the said fully paid "B" shares to an equivalent value shall be transferred to the Kwangtung Government.

(*b*) Fully paid "B" shares to the nominal value of Five Hundred Thousand Dollars to Trustees to be nominated by the Kwangtung Government for the benefit of the poor people in the Province of Kwangtung.

(*c*) Fully paid "B" shares to the nominal value of Five Hundred Thousand Dollars to Trustees to be nominated by the Kwangtung Government for Educational purposes in the Province of Kwangtung.

In consideration of the said allotments as aforesaid the Government will cause to be executed all such documents as may be necessary for the purpose of definitely granting to such Company the right, for a period of ninety years from the date of such incorporation, to bore, dig, extract, transport, export, and sell, or otherwise utilize all or any portion of the coal extracted from all or any of the areas mentioned in clause 13 hereof except the areas conceded to other companies and worked on a commercial basis as provided in clause 18 hereof.

9. The Company shall pay to the Kwangtung Government only such duties as are for the time being imposed upon the Kailan Mining Administration.

10. At the expiration of the said period of ninety years the same may be extended, or continued, upon such terms and conditions as may be mutually agreed upon between the Government and the Company so to be incorporated as aforesaid.

11. From the date of ratification of this agreement and during the said period of ninety years, and extended period (if any), the Kwangtung Government shall use its best endeavors to protect the persons employed by the said Company, and their rights for property and the rights of property of the said Company, in the mines, machinery, buildings, plant and any other goods, effects or property to which the said Company and the said persons may be entitled for the time being.

12. The articles of association of the Company to be floated as aforesaid shall further contain provisions to the following effect:

(1) That the Board of Directors of such Company shall consist of seven persons, three of whom shall be elected by the holders of "A" shares and shall be of European nationality, and three of whom shall be elected by the holders of "B" shares and shall be of Chinese nationality. The remaining Director shall be of British nationality, and shall be elected by the other six Directors.

(2) That the staff of the said Company shall consist of an European Manager, and of such European Engineers or Supervisors as may be deemed necessary by the Company and shall also consist of two Secretaries, one of whom shall be of British or other European nationality and the other Chinese nationality.

(3) That the miners and unskilled laborers shall all be of Chinese nationality, and, so far as possible, be natives of the districts in which they are employed.

(4) That the existing laws and regulations of China, with regard to mining shall be followed.

13. Immediately upon the payment of the said sum of One Hundred Thousand Dollars referred to in clause (2) hereof the Company shall have the right to demarcate within a period of nine months such areas in the districts set forth in clause (1) hereof as areas in which the Company desire to carry on mining operations and upon the payment by the Company to the Kwangtung Government of the sum of Nine Hundred Thousand Dollars referred to in clause (4) hereof the said period of nine months shall be extended for a further period of six months (making a period of 15 months in all). The Company shall from time to time during the said period notify to the Director of Mining in Canton or such other person as the Kwangtung Government may designate their or its desire therefor and he shall cause such areas to be registered in the name of the Company in parcels of land (whether separate or adjoining) each not exceeding ten square Li.

14. The Company shall not deliberately destroy or damage any cultivated lands, graves, or tombs, belonging to individuals, and in the event of any accidental destruction thereof, or damage thereto, the said company shall at its own expense, repair such damage or pay the individual sustaining the same reasonable compensation therefor.

15. The said Company when incorporated shall, for the purpose of its business, be entitled to use any waterways, wharves, ports, railways and other means of transport, or storage now existing in the Kwangtung Province; and also to construct, manage, superintend and work any other roads, railways and buildings as may be deemed available for the purpose of the business of the said Company, or to improve these now existing but shall pay reasonable remuneration or compensation to any individual or individuals affected, or prejudiced by such use or construction.

16. In the event of there being in existence unworked coal mines within the districts mentioned in clause (1) hereof the Company shall be entitled to work the same in all respects as if such mines had been discovered by the Syndicate or the said Company.

17. Any concessions or mining rights within the said districts already granted by the Kwangtung Government which have not yet been worked on a Commercial basis or exercised, shall be revoked by the Kwangtung Government; and all such concessions or mining rights as have been worked on a commercial basis, or exercised, may be acquired by the said Company on payment to the proprietors thereof such sums as they may agree to accept; and the Kwangtung Government will render all such assistance as it is able to render to enable the said Company to acquire such concessions or mining rights at a reasonable price.

18. The coal mines for which mining rights have been granted and on which work has been commenced by other companies are as follows:

NAMES OF COAL MINES	DISTRICTS	AREA
Tai Tong Shan	Nam Hoi	576.55 Mao
Jeung Shan	"	8.071 Sq. Li.
Cheung Kong	Pun U	540 Mao
Tai Woh Ling	Fa Yuen	1100 "
Kow Chun Woo	"	270 "
Wang Tong Ling	"	342.45 "
Kow Woo Tseung, Tai Tat Sha Kwut	"	351 "
Koon Tseun Tin Sze Ling	Yue Yuen	573 "
Junk Ngam Chung	"	272.57 "
Lu Tseung Pat Tze Ling	"	364.34 "
Koon Tseung, Kit Tsze Tun	"	3494 "
Po On Shan	Lin Yuen	Nil
Lin Tong Tseun	"	200 Mao
See Tsze Kong	"	Nil
Ki Tsze Kurk	"	502 Mao
Pak Moon Heung Lo Fo Tung	"	972 "
Lap Shak Par	Kook Kong	808 "
Lap Shak How Shan	"	One Sq. Li.
Ling Chai Tow	"	87.5 Mao
Hap Chai Tow	"	18.4 "
Tong Chung Ling	"	547.73 "
Lo Tong Shan	"	One Sq. Li.
Tung Sui Har Sun Shan	"	829.141 Mao
Tin Lor Ling	"	98.583 "
Tung Sui Moi Shan Sui Chong	"	540 "
Kong Ying Ling	Kook Kong	800 Mao
Ngam Ping Ling	"	399.8 "
Cheung Chung Lin	"	366.65 "
Lo Tong Ling	"	1 Sq. Li.
Tung Sui Mai Shan Aui Ling	"	470 "
Tui Mun Ling Kwai Tow Shan	"	270 "
Tong Cheung Ling	"	1 "
		and 7.7 Mao
Poon Ying Ling	Lok Cheong	325 "
Tin Tong Lin	"	Nil
To Chu Ling	"	894.26 "
Ting Tsze Pouy	"	3906 "
Tong Ngor Lee Shan	"	154.16 "
Cham Mok Tow	Ying Tak	540 "
Kai Ting Po	Fa Yuen	1 Sq. Li.
		and 492.15 Mao
Koon Chun	Yue Yuen	314.533 "
Tai Wuk Ngow	Pun U	Nil
Kow Cheun Wo King Shiu Ling	Fa Yuen	276.5 Mao
Kow Lin Tsze	Lok Cheong	699.8505 "
Pak Kong Ling	Kook Kong	471 "
To Chong	Lok Cheong	4875 "
Chan Mok Ling Kow Ngar Tung	Yue Yuen	840.55 "
Chai Kurk Chuen Nam Ling Tow	"	536.21 "
Woo Shak Tu	Ko Ming	23.562 "
Ling Wan Shan	"	725 "
Tung Kok Shan	"	103.075 "

19. The coal mines which have been granted to other companies but which have not yet been worked, are as follows:

NAMES OF COAL MINES	DISTRICTS	AREA
Lung Hang Ling	Fa Yuen	727.4 Mao
See Mow Wor	Lin Yuen	265.8 "
Sai Ling Pouy	Lok Cheong	342.891 "
Cheung Fung Ling	Lin Yuen	Same section as Ki Shan Kurk
Shak Hap Tei Por Tong	Tung Koon	7 Sq. Li.
		and 246.219 Mao
Ting Tow Show Kow Ling	Lok Cheong	373 "

20. In the event of civil war, strikes, boycotts or other disturbances occurring in the districts specified in clause

(1) hereof or any part thereof during the period mentioned in clause (13) hereof which shall prevent or interfere with the Syndicate or the said Company carrying on its or their operations under this Agreement the said period mentioned in clause (13) shall as regards the districts affected be extended for the same length of time as the Syndicate or said Company shall be so prevented from carrying on or interfered with in the carrying on by them of the said operations as aforesaid.

21. This Agreement is drawn up in English and Chinese. It is hereby expressly agreed that in case any difference shall appear or disputes arise as to the construction thereof the English copy shall prevail and be adopted.

22. In the event of any dispute or difference arising between the said Company and the Kwangtung Government, or any of the individuals mentioned in paragraphs 14, 15, 16, 17, 19 and 20 hereof, in relation to this agreement, the same shall be submitted to the arbitration of two persons, one to be appointed by the Syndicate or by the said Company as the case may be, and the other by the Kwangtung Government, and in the event of such arbitrators not agreeing, to an umpire to be appointed by them who shall be of neither British nor Chinese nationality; and the award of such arbitrators or the umpire shall be final and conclusive.

In witness whereof the said parties have hereunto set their hands and seals the day and the year first above written.

Signed, Chopped, Sealed and Delivered by the above mentioned His Excellency the Military Governor of Kwangtung.	Private Chop of Mok Wing San.	The Official Seal of His Excellency the Military Governor of Kwangtung.
Signed, Chopped, Sealed and Delivered by the above mentioned His Excellency the Civil Governor of Kwangtung.	Private Chop of Cheung Kan Fong.	The Official Seal of His Excellency the Civil Governor of Kwangtung.
Signed, Sealed and delivered by the above named Louis Cassel in the presence of: (Sgd.) Ho Shing Chong.	(Sgd.) L. Cassel, Major	L.S.
Signed, Sealed and delivered by the above named Sum Pak Ming in the presence of: (Sgd.) Ho Shing Chong.	(Sgd.)	L.S.

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Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

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BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Chinese governmental activities

OFFICE CHIEF OF STAFF
1921 26 s 7-2-1
WAR DEPART

(1) The appointment of General Lu Hung-tao, acting Tuchun of Kansu, to the substantive post, was shelved through the opposition of General Chang Tso-lin who has recommended to the Government the appointment of Chang Huai-chi, former Chief of the General Staff. This recommendation was practically acceded to by the Government but on account of the joint representation of certain Tuchuns, the Government has informed Lu Hung-tao that if he keeps to his duties and not interfere with outside affairs, he would be retained as Tuchun of Kansu. Chang Tso-lin is furious but the Government informs him that the Jehol question would be settled to his satisfaction.

(2) It is reported that the Japanese steamer Kobayashi Maru has arrived at Woosung with 1,200,000 rounds of ammunition and after calling at the Shanghai Arsenal for a further cargo of 1,600,000 rounds of ammunition, will sail for Kwangsi to deliver them to the Kwangsi troops. The cargo is consigned by the Peking Government. The matter has a vital bearing on the situation in this country.

(3) The militarists of the provinces are besieging the Government with telegraphic demands for payment of arrears in pay to troops, without which they threaten mutiny.

(4) It is stated that Chen Shu-fan is scheming to draw all the Chihli troops into Shensi and at the same time the attack on Hupeh by Hunanese will also drain some of the Chihlites from their base. It is feared that another new political upheaval is not far off.

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Chinese governmental activities.

(1) According to report, General Wang Chan-yuan thinks it still possible for him to maintain his present position in Wuchang. He is said to be willing to have the Central Government establish another High Military office in Hupeh for a Deputy Director of Military Affairs in that province. Among those who are considered to be the most hopeful candidates for this new post are Generals Li Chang-tai and Wang Huai-ching. In order to settle the trouble to the satisfaction of both the Hupeh War Lord and the Government, one of the above mentioned Generals will either be appointed by the Government or recommended by Wang to take up the new office.

(2) It is stated that the authorities have captured seven conspirators in Nanking. The prisoners stated that they were employed by Little Hsu and Sun Yat-sen to create trouble in the Yangtsze Valley and to prepare a way for the separation of these provinces from the Government. They were also instructed to recruit men for the proposed army secretly in order to avoid suspicion.

(3) The Minister of the Navy has submitted his account to the Government amounting to $10,390,000 which is due the Ministry for arrears of pay. A sum of $4,000,000 is urgently needed to pay off a part of the arrears due the officers and men of the various warships.

(4) Hsiung Ko-wu proposes to the Government that Szechuan should be divided into three provinces. He suggests an Inspecting General should be appointed as in Manchuria.

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Chinese Governmental activities.

(1) Late reports from Canton indicates that Wuchow is about to fall into the hands of the Cantonese troops. It is stated that General Ngai Bong-ping is directing the attack. The Kwangsi troops attempted to enter Kaochow but were repulsed.

(2) Lu Hung-tao, the acting Tuchun of Kansu, is inducing the Government to promote him to the full Tuchunship and he never fails to remind the Government of all his doings and merits. The Government is now considering the question of appointing him as Tuchun but will create the post of Commissioner of Military Affairs for General Ma Hong-ling, one of the popular Mohammedan leaders. This will give the military control largely to the Mohammedans and the Commissioner will have control of the Ninghsia district and would be known as the Governor of Ninghsia.

(3) It is reported that Li Lieh-chun is advancing against Kwangsi from Hunan.

(4) General Lu Yung-hsiang of Chekiang is adopting a moderate policy. Dr. C. T. Wang and Mr. Fang Shu who were to assist in the drafting of a provincial constitution, have left Hangchow. General Lu, in a telegram to the Chekiang gentry, states that to advocate the drafting of a provincial constitution does not mean severing relations with the Central Government.

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From X. Date June 27, 19 21 Serial No. 394 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

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Chinese Governmental activities.

(1) The Chiaotung University will be formally opened on August 1st. Meetings were held at the resident of Mr. Yeh Kung-cho, President of the University. Delegates from the Peking, Tonghsan and Shanghai Colleges attended the conferences. The University will be composed of three colleges, a Railway Administration College at Peking, a college of Civil Engineering at Tongshan and a college of Electrical and Mechanical Engineering at Shanghai.

(2) It is reported that the Cantonese army has taken possession of Wuchow after severe fighting.

(3) General Lu Yung-ting, the commander of the Kwangsi forces, has sent another appeal to the Government for funds for the maintenance of his troops.

(4) The position of General Wang Chan-yuan as Inspecting General and Tuchun is untenable owing to the fact that his own trusted troops are bringing pressure to bear on him in regard to funds and that he has aroused the ill-feeling of the whole of Hupeh provincials who are taking the present opportunity of instigating Wang's own troops to oppose him.

(5) It is officially denied that Pangkiang is now in the hands of the Russian-Mongolian forces. Chang Tso-lin has ordered Chow Feng to return to Pangkiang from Mukden to take charge of affairs and he also stated that he will exert his utmost to prepare an expedition to settle the Mongolian question.

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From K. Date June 28, 1921 Serial No. 396 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Chinese Governmental activities.

(1) As General Chiang Kuei-ti has absolutely refused to serve under Chang Tso-lin who has telegraphed to the Government advocating Chiang's dismissal from office as Tutung of Jehol, the Government has created another costly post by appointing Chiang as Inspector General of the National Army. General Chi King-shun, commander of the 27th Division of the Fengtien troops, will be appointed Tutung of Jehol.

(2) Yin Chang has been appointed by the Government as its special representative to attend the inauguration ceremony of the Peking-Tsinan Air Mail Service which will be held at Nanyuan Aerodrome on July 1.

(3) Numerous telegrams have been pouring into Peking from Kwei-chow, requesting relief for the famine there which is said to be unprecedented for 100 years.

(4) General Liu Hsiang is now the Commander-in-chief and Governor of Szechuan with his headquarters at Chungking. He has commenced the disbandment of troops.

(5) The Government has telegraphed to Wang Chung-hui informing him that he has been appointed a member of the Chinese delegation to the League of Nations and instructing him to remain in Europe.

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From K. Date June 22, 19 21 Serial No. (Commence new series each [illegible] first.) File No. (Select proper number from O. N. I. Index.) 100-100

Source of information Local Chinese and foreign newspapers

Subject CHINA (Note [illegible] on.) (Index title as one index sheet.) STATE POLITICAL CONDITIONS (Subtitle.)

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OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
1921 AUG 24
2657-J-185
WAR DEPARTMENT
3YX

Resume of the Chinese Government activities in Peking.

(1) Reports received in Peking from Harbin state that since the beginning of the month there has been renewed activity on the part of the bandits (Hunghutse) along the Chinese Eastern Railway. The Chinese soldiers appear to be helpless to check the activities of the bandits or have no desire to test their strength with them.

(2) The Hupeh residents in Peking went to the President's Office and demanded the punishment of Chin Shao-tseng, Vice Minister of War, who has been sent by the Government to investigate the mutinies in Hupeh, for alleged acceptance of bribes from General Wang Chan-yuan. They strongly requested the President to remove Wang Chan-yuan from Hupeh.

(3) Yesterday the Waichiao Pu lodged a protest with the Japanese Legation against the unlawful action of the Japanese officers in surveying the Yalu River.

(4) Chang Hsun arrived in Peking a few days ago and had an audience with the President. He will assume the Directorship of the Forestry and Land Reclamation Bureau in Jehol shortly, as his secretary, Wan Sheng-shih, has left for Linsi with 3,000 men.

(5) At a meeting of all the Peking gentry a petition was drawn up requesting the Government to cancel the House Tax.

FROM
Office of Naval Intelligence
Navy Department,
WASHINGTON, - D. C.

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From K. Date June 24, 1921 Serial No. 388 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. Index.)

Source of information: Local Chinese and foreign newspapers.

Subject: CHINA (Nation reported on.) STATE (Index title as per Index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) It is learned that fifteen articles, providing for the joint policing of the Sino-Korean borders, have been submitted to the Cabinet for consideration by the Ministry of Foreign Affairs. The Cabinet, recognising their importance to Fengtien and Kirin, has decided to postpone their discussion until they have been minutely examined and signed by the authorities of the two provinces concerned.

(2) The question of Wang Chan-yuan's position in Hupeh is causing the Government no little concern. The Government is in favor of placing General Wu Pei-fu in Wang's place as Tuchun of Hupeh. There is a possibility of uniting the leaders in the Yangtsze Valley and others who oppose Sun Yat-sen if Wu Pei-fu is appointed to the post. Chang Tso-lin strongly advocates that Wang be retained because if Wu should be appointed, the Chihli party will become too strong for him to tackle and he recommends that Chang Hsun should be appointed Inspecting Commissioner of Kiangsu, Kiangsi and Anhwei.

(3) It is reported that skirmishes have taken place between the troops of Chen Shu-fan and the sentries of General Feng Yu-hsiang. General Wu Pei-fu and Tuchun Yen Hsiang wen are rushing reinforcements for General Feng.

(4) General Lu Yung-ting is having his hands full repelling invaders from all sides. The Cantonese army is driving the Kwangsi troops into Kwangsi along the West River while Kweichow and Yunnan troops are attacking from the West.

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From K. Date June 23, 19 21 Serial No. 386 File No. 103-100

Source of information: Local Chinese and foreign newspapers (Select proper number from O. N. I. Index.)

Subject: CHINA (Nation reported on.) STATE (Index title as per Index sheet.) POLITICAL CONDITIONS (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Resume of the Chinese Government activities in Peking.

(1) It is stated that at the persuasion of Wang Chan-yuan, the Ministry of Agriculture and Commerce has sanctioned the purchase of the famous Hsiang-pi-shan Iron Mines from the Provincial Government by the Sino-Japanese company, the Hanyehping Coal and Iron Corporation.

(2) The negotiations for the Sino-Persian commercial treaty are progressing smoothly. The draft treaty is on the lines of the one concluded between China and Bolivia and does not grant extra-territorial rights to Persian subjects.

(3) Tuchun Chen Kwang-yuan of Kiangsi is still recruiting troops through his agents in Kwangping, Chenan, Chihhsien and Hantan districts and General Chang Tso-lin is also recruiting troops for the Mongolian expedition.

(4) The workmen on the Peking-Suiyuan Railway went on strike and demanded the dismissal of the Director. They have resumed work after their grievances were satisfied by the cancellation of some new regulations.

(5) The former Tutung of Charhar, General Pan Chu-ying, will shortly be appointed Chief of the Aeronautical Department. General Ting Chin, the present head of the Department will be sent to the Malays to investigate conditions amongst the Chinese immigrants there.

(6) The authorities in Kansu are supporting the Government in the Shensi muddle. In case General Chen Shu-fan proves obstinate, Kansu troops will be sent to support General Feng Yu-hsiang and the new Tuchun.

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From L. Date June 22, 1921 Serial No. 391 File No. 202-100
(Commence new series each January 1st) (Select proper number from O. N. I. Index.)

Source of information Agent

Subject CHINA: MUKDEN STATE POLITICAL CONDITIONS
(Nation reported on.) (Index title as per index sheet.) (Subtitle.)

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Conditions in Mukden - June 22, 1921.
1. Chang Tso-lin's statement re Japanese attitude toward the Chinese Eastern Railway. 2. Chang Tso-lin's Mongolian Expedition. 3. Activities of Semenoff. 4. Activities of Baron de Roussaton.

FROM Naval Intelligence Navy Department WASHINGTON, D. C.
192 24657-J-186 AUG 24

Chang Tso-lin stated in an interview a few days ago that the Japanese were arranging to lend to the Peking Government Yen 10,000,000 for the Chinese Eastern Railway and that the success of this loan would largely determine the future of this railway. He stated that only a small fraction of the money would actually go to the railway and that Peking would take the larger share, and considers that this is simply another attempt on the part of the Peking Government to get funds by any possible means.

1. CHANG TSO-LIN'S STATEMENT RE JAPANESE ATTITUDE TOWARD THE CHINESE EASTERN RAILWAY.

The Governor has repeatedly stated that the Japanese are endeavoring to secure control of the Chinese Eastern Railway and he cannot understand why the American Government and American capitalists have been so apathetic and indifferent considering the future trade possibilities in Siberia which will amount to hundreds of millions of dollars.

As long as the Chinese Eastern Railway is controlled by non-Japanese interests the rates on the South Manchuria Railway must always be comparatively reasonable, but if the Japanese control of the Chinese Eastern Railway they will have the monopoly of Siberian, Mongolian and Manchurian trade. Only recently the Japanese reduced their freight rates about 30% on goods from Changchun and in consequence of this they have managed to divert considerable trade from the Chinese Eastern Railway, but if they control the latter they can fix their own rates on both lines and with their discriminatory tactics they can stifle British and American trade.

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Governor Chang Tso-lin has been holding a series of military conferences to discuss the Mongolian situation. These conferences were attended, not only by his general staff, but by the governors of Kirin and Heilungkiang. It does not appear, however, that any decision has been reached, and few, if any preparations have actually been made for the Mongolian expedition. Many well-informed people are inclined to think that the Governor does not take this matter very seriously and that he is likely to call on Peking for more money before he undertakes anything in earnest.

2. CHANG TSO-LIN'S MONGOLIAN EXPEDITION.

The contending Russian forces in the Far East are trying to discredit each other's cause by circulating unfavorable reports about the leaders. The Soviets recently reported that Baron Ungern had been convicted in the Russian army of being a traitor and cited an old Russian military order which mentioned Ungern - Steinberg. Baron Girard de Soucanton, who represents in Manchuria the White Party of Russia, says that he personally knows Baron Ungern and that he was also acquainted with Ungern-Steinberg and that they are two different people. He states that the Soviet party has purposely confused the two names in order to bring Baron Ungern into disrepute. On the other hand he says that Yourin was a traitor and that during an action in which he himself (Baron Girard) took part, Yourin deliberately gave way to the Germans and let them through the line thus imperiling a whole Russian army and weakening the Allied cause.

The previous reports which I sent indicated that the Japanese were not supporting Semenoff as fully as before, seems to be borne out by

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the recent developments in Vladivostok. Semenoff seems to be losing power with both the Russian and Japanese and is apparently ready to sell out his interest and to retire from active participation. I have learned from a reliable source that the Japanese obtained from Semenoff the promise of valuable concessions in return for their support. Many of Semenoff's Russian supporters, however, are strongly opposed to the Japanese and have been using their influence with Semenoff in making him give the Japanese as little as possible. It is possible, therefore, that the Japanese being dissatisfied with what he promised have tried to exert more pressure by planning to "let him down" entirely and their recent failure to support him as fully as he had hoped, many have been an attempt on the part of the Japanese to discipline him.

3. ACTIVITIES OF SEMENOFF.

As previously reported, the anti-Bolshevik party of Russia is very much hampered by a lack of unity. Some of them are willing to give a large share of the spoils to the Japanese and others favor giving them nothing at all. There also seems to be no supreme command. While Semenoff is supposed to be the real Atamen, I am confidentally informed that Baron de Soucanton, who has headquarters in Mukden, is in a quiet way, the real power behind the Russian White Party in Manchuria and Eastern Siberia, and that while he has held himself out as being Semenoff's political agent, he is in reality much more influential than Semenoff himself. He belongs to the group

4. ACTIVITIES OF BARON DE SOUCATON.

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which believes in giving the Japanese as little as possible.

General Tolmachof has been another very active member of the White Party in Japan, Manchuria and Siberia. His headquarters have recently been in Yokohama, but in the past few months he has made several trips to Manchuria and has conferred with Semenoff a number of times. In a previous report I described his attempts to enlist the sympathy and support of Captain Harloe, U.S. Shipping Board agent at Yokohama. It now appears that General Tolmachof is now out of favor with his own party, and I was informed yesterday that he had been arrested by the Whites somewhere in North Manchuria.

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From X. Date July 5, 19 21 Serial No. 400 (Commence new series each January first.) File No. 105-100 (Select proper number from O. N. I. index.)

Source of information Agent

Subject CHINA; MUKDEN (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference 1921 2417-J-R

OFFICE CHIEF OF STAFF

WAR DEPARTMENT

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Conditions in Mukden (奉天), Manchuria - June 24, 1921. 1. Expedition to Urga. 2. Attitude of Chinese in the event of a United States-Japanese War. 3. Anti-American feeling of Japanese in Manchuria. 4. Chang Tso-lin's motor transportation equipment.

1. EXPEDITION TO URGA.

It is reported here in high military circles that Governor Chang will send the whole of his 28th Division to Urga and that this Division will be supplemented by a few Mixed Brigades. Some of the 28th Division are already in Kalgan and the commander of this Division will be appointed to Jehol but will probably proceed to Urga. Governor Chang is reported to have said that he himself will proceed to Urga and will take charge of the whole expedition but I think this is very unlikely. He knows that many people would like to assassinate him and that his situation in the field would be too dangerous. He would also be too far from his political and military headquarters and the situation in Mukden and Peking might get out of hand during his absence.

2. ATTITUDE OF CHINESE IN THE EVENT OF A UNITED STATES-JAPANESE WAR

The progressive Chinese in this region are hoping for a war between Japan and the United States and many of them would be very pleased to take sides with America. It is probable, also, that a large number of Koreans would at the same time strike for their independence. The Koreans have what may be called a National Guard consisting of more than 20,000 men and they are said to be very active. It is reported that they have some sort of understanding with the Far Eastern Republic so that joint action may be taken against the Japanese if opportunity offers.

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3. ANTI-AMERICAN FEELING OF JAPANESE IN MANCHURIA

A number of the Japanese subsidized papers in Manchuria continue to attack the United States and some of them have recently said that if Japan is to accomplish her mission in the Far East she should strike at once as the chances of success are greater now than they will be later.

4. CHANG TSO-LIN'S MOTOR TRANSPORTATION EQUIPMENT.

An Englishman who acted as chauffeur for Chang Tso-lin in Peking and who inspected his motor transportation equipment says that out of about one hundred available motor trucks and motor cars there are not more than one or two which are in first class condition and most of them are practically useless.

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1921 2657-J-188

AUG 25

WAR DEPARTMENT

Mukden, China.

July 25, 1921.

Political and Economic Conditions in the Mukden Consular District.

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON, D.C.

For the information of the Department, I have the
1/ honor to transmit herewith copy of my No. 151 of even date, reporting to the Legation at Peking on the political and economic conditions in the Mukden consular district.

I have the honor to be, Sir,
Your obedient servant,

ALBERT W. PONTIUS

Consul General.

A true copy of the signed original. HRC

800.

Enclosure as stated.

181

Enc 1

OFFICE OF THE ... 1921 AUG 25 ... DEPARTMENT

2657-J-188

July 25, 1921.

SUBJECT: Political and Economic Conditions in the Mukden consular district.

A. B. Ruddock, Esquire,
Chargé d'Affaires ad interim,
American Legation,
Peking, China.

Sir:

Political.

I have the honor to report that owing to the visit to Mukden of the newly appointed President of the South Manchuria Railway and Mr. Yourin, the Foreign Minister of the Far Eastern Republic, Military Inspector Chang Tso-lin postponed his departure for Manchouli until the 26th instant. The former is here for the purpose of paying an official call and to discuss affairs in connection with the transportation of troops northward, while the visit of the latter was to discuss the impending Mongolian expedition and the question of diplomatic relations between the Chinese and the Chita Governments. Mr. Yourin arrived in Mukden on the 23rd instant accompanied by a staff of twelve and several Mongols. He was met at the station by a representative of Military Inspector Chang and left for Peking the same evening.

On the evening of the 23rd instant a dinner was given by the Japanese Consul General, at which Military Inspector Chang Tso-lin and several other high Chinese officials were present, the President of the South Manchuria Railway being

a guest

a guest as well. General Chang entertained the Japanese guests at his official residence on the 24th instant.

The movement of troops from Mukden to the north started on the 18th instant. It is reported that up to the 23rd instant one brigade has departed and the movement of troops will continue until one complete division has entrained. The Japanese railway authorities will provide General Chang with a special train and have offered to transport the expeditionary forces without charge in order to show their friendly regard for the Military Inspector. General Chang, however, politely declined this offer and consented only to accept a reduction of 30 per cent from the proper charge.

I am informed that Military Inspector Chang has selected 1,500 men from the country police force of Fengtien Province to form a regiment for his body-guard. In order to guard against any untoward incident in this province during the absence of the large body of troops despatched to Mongolia and to suppress the bandit movements now prevalent in Kirin Province, General Chang has ordered the 6th and 7th Independent Brigades stationed at Lang Fang near Tientsin to return to their original posts in this province. These troops have already arrived in Mukden.

The enlistment of 10,000 additional troops by Military Inspector Chang, as reported in my No. 172 of the 11th instant, has not met with the success anticipated owing, it is said, to the bitter experience of many others who were beguiled in the past into enlisting in the Manchurian Army. On account of the difficulty encountered, General Chang has sent agents to Chihli, Shantung and other provinces in order to raise the number needed. The expected good harvests in Manchuria have also no doubt a great bearing on the inability of the local military authorities to induce enlistment.

As a

As a movement for the ousting of Military Inspector Wang Ch'an-yuan of Hunan and Hupeh Provinces is now under way by the people of the provinces mentioned, and with a view to securing the support of Military Inspector Chang Tso-lin on his behalf, General Wang has sent General Chang Tso-lin 50 cases of ammunition to be used in connection with the Mongolian campaign.

For the purpose of perfecting arrangements and discussing ways and means of conducting the military expedition to Mongolia to the best advantage, the Central Government has called a military conference of high military officers to meet in Peking, and has requested Military Inspector Chang Tso-lin to send a representative. Military Inspector Chang accordingly appointed his son, Brigadier General Chang Hsueh-liang, to represent him at this conference. General Chang, Jr. left for the capital on the 21st instant.

It is also commonly reported that illegal methods are being employed in the final election of the members to the local Provincial Assembly which is to take place shortly. Some candidates are said to have offered as high as $700 to $800 for a vote.

Economic

Since the enforcement of the gold currency system in Dairen, business has been very much at a stand still and the receipts of the South Manchuria Railway have been greatly reduced. The leading merchants of Newchwang, taking advantage of the situation, and in order to assist the Chinese merchants at Dairen, who are opposing the movement, established an exchange association on the 18th instant. As a result many dealers in native produce and exchange shops have removed to Newchwang. It is reported that a similar exchange association will be established in Mukden shortly by Japanese and Chinese merchants. In order to maintain the small coin currency as the chief circulating medium of Manchuria the Chinese merchants of Mukden have unanimously decided to transact business with the Japanese in local currency only, thus preventing any fluctuations.

The output of lumber from Kirin Province is especially brisk this year, and in consequence a substantial increase in the revenue of the province is expected.

Because of the unusual low price of copper prevailing the Fengtien and Kirin Governments have purchased large quantities of this metal for the minting of coins to relieve the financial markets of their respective provinces. One shipment en route from the United States is valued at $115,000 U. S. currency.

Owing to the decline in silver exchange and the proposed enforcement of the gold standard at Dairen, business in this district is exceedingly dull in every line as regards imports. Electrical and telephone materials, however, command a ready sale. It is reported that the Government of the Kwantung Leased Territory (Japanese) has placed an order with an

American

American firm for a large supply of automatic telephones, also an order for 5,000 electric current meters with a German firm. The Japanese telephone system of Mukden will likewise discard its old telephones and eventually replace them with automatic ones. Many outlying districts in South Manchuria contemplate installing electric light plants. As this is the dull season for exports, only small quantities of furs and bristles are being shipped to Europe and the United States, such goods, however, represent only a very small portion of the total export trade.

The building season in this district is now at its height, and naturally there is a large demand for building materials. Owing to the unfavorable rate of exchange prevailing together with the inability of the local banks to advance loans, only small quantities are being imported from abroad. The sudden suspension of business by the Banque Industrielle de Chine has been a serious loss to local foreign and Chinese merchants, as this bank extended credits freely.

Permission has now been granted by the Central Government to ex Military Governor Pao Kuei-ching of Kirin and the Japanese capitalist, Baron Okura, to establish a paper mill in Kirin Province. The capital of this mill will be G.$. 5,000,000, to be jointly subscribed by Chinese and Japanese. The name of the company will be "Hsing Lin Paper Manufacturing Company, Limited". It is said that this company has already secured a forest concession of 3,400 square Chinese li in the Chiu Ch'an (九站) district and a suitable tract of land in the city of Kirin for the erection of office buildings.

I have the honor to be, Sir,

Your obedient servant,

ALBERT W. PONTIUS

Consul General.

A true copy of the signed original. HRS

(Copy to Department)
" " Economic Consul, Shanghai.)

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From Mukden Date July 19, 1921 Serial No. 427 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Agent

Subject CHINA; MUKDEN (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CONDITIONS IN MUKDEN - JULY 11, 1921.
1. Conclusion of Military Conferences.
2. The Mongolian Expedition.
3. Chang Tso-lin will use aeroplanes for expedition.

M. I. 2.

The Governors of Kirin and Heilungkiang left Mukden yesterday morning after a series of conferences with Chang Tso-lin regarding conditions in the Three Eastern Provinces and measures which they have agreed to adopt with regard to the Mongolian expedition. The three Governors are going to co-operate and combine forces as far as practicable. General Chi of the 28th Division also left yesterday for the North and plans to approach Urga with a large force by way of Manchuli.

1. CONCLUSION OF MILITARY CONFERENCES.

Chang Tso-lin has announced that he will assume personal command of the Mongolian expedition. While it seemed doubtful at first if he would go, it now appears that he will go at least part of the way. The latest news is that he will proceed via Kalgan. In his absence Chang Tso-hsiang, now commander of the 27th Division, will be acting Tuchun and Wang Yung-chiang, will be acting Civil Governor. Mr. Wang is at present the Provincial Treasurer and is strongly pro-Japanese, having received considerable Japanese money on various occasions.

2. THE MONGOLIAN EXPEDITION.

It is announced that the expedition from the Eastern Provinces will be 50,000 strong but while funds will probably be accounted for on this basis it is probable that there will not be more than 40,000 men. Active recruiting is going on in many parts of the Three Eastern Provinces and the various Divisions are being brought up to their full strength. Both officers and men will receive double pay while they are away. This means that for soldiers alone the expenditure will average about $20.00 per man per month, the officers receiving more than

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and the privates somewhat less. It is estimated that the cost of maintaining this army in the field will run as high as $20.00 per man per month. According to these calculations the total monthly cost of keeping 50,000 men in the field will be about $2,000,000 per month. It is evident, therefore, that the money thus far advanced for the expedition will be totally inadequate.

As food and water are difficult to obtain in Mongolia and as the expedition may require a plentiful supply of warm clothing, the difficulties of maintaining such a large number of troops in the field will be very great. While the troops of Manchuria are good fighting men they are inclined to be somewhat unruly. If, therefore, the expedition runs short of funds it is more than possible that the Manchurian troops may become rebellious and a distinct menace to Peking and other cities in North China. Some very difficult problems are likely to be confronted, and as Chang Tso-lin himself is inclined to treat Peking with more or less contempt the loyalty of his troops to the Central Government cannot be counted on to any extent.

Chang Tso-lin is now using some of the aeroplanes which he obtained from Peking. While he talked for a long time about having European or American instructors, he is using only Chinese aviators. One or two aeroplanes have been making almost daily flights over the city and thus far there have been no accidents. General Chang intends to use some of the aeroplanes in connection with the Mongolian Expedition but as he has no idea of service stations and other necessary facilities it is doubtful if the aeroplanes service can be maintained with any great success.

3. CHANG TSO-LIN WILL USE AEROPLANES FOR EXPEDITION.

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Source of information Agent.

Subject CHINA; MUKDEN (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

1921 657-J-189 AUG 20

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CONDITIONS IN MUKDEN - JULY 1st, 1921.
1. Conditions in Chita as reported by American traveller.
2. Japanese playing a double game.

WAR DEPARTMENT
FROM
Office of Naval Intelligence,
Navy Department,
WASHINGTON, - D.C.
M. I. 2.

An American traveller who has just returned from Chita says that conditions there are very much better than people are led to believe by reports which are sent out from Harbin. According to him, peace and order prevails and there is plenty of food although there is a certain amount of poverty but not "any real distress" and "things seem to be going along very much as one would expect in a frontier town which has been cut off from the world". He says that the people are not Bolshevik and that the government is not communist and that the new constitution is that of a capitalistic state and that there is no paper money in circulation. He says that the government and people ask of the world that they be relieved from foreign aggression and that they be given the assistance of foreign capital and experts to develop their natural resources. He also says that Ungern's forces were absolutely smashed, nothwithstanding all contrary reports. He also said that the leaders are working whole-heartedly for the upbuilding of the community with no thought of interfering with any one else's rights and that they should be given a fair chance to work out their own salvation with a reasonable degree of support. The Japanese, of course, are doing everything possible to undermine the Chita Government and they are encouraging armed bands of marauders and are trying to keep the country in an unsettled state.

1. CONDITIONS IN CHITA AS REPORTED BY AMERICAN TRAVELLER.

Dr. Abbott and Colonel Davis have returned to Harbin and if they come through Mukden, I shall try to see them and obtain the latest "dope".

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Subject (Nation reported on.) (Index title as per index sheet.) (Subtitle.)

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My statements of many weeks ago with regard to the Japanese failure to support Semenoff to the extent which they did before are being supported by recent developments. Semenoff found that so many of his Russian adherents hate the Japanese so that he could not retain their support and promise the Japanese all that they want. The Japanese, are, therefore, very much dissatisfied and are threatening to withhold their support and are even threatening to co-operate with the Radical element instead. Holding the balance of power as they do they are in a position to extort concessions from either side by threatening to support the other. The Semenoff faction is very much divided and is having a difficult time trying to reconcile the various opposing views. Baron Girard is still in Harbin and is evidently trying to unite the various "white" elements. He and the other "white" leaders are very anxious to get American support and are willing to work with Americans in developing Siberia and Mongolia.

2. JAPANESE PLAYING A DOUBLE GAME.

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FOR OFFICIAL USE ONLY
2657-D-191

SUBJECT: THE GOVERNMENT OF SOUTH CHINA.

SERVICE REPORT. M.I.2.

From: CHINA

No. 2897 Date: August 12, 1921. , 19

Replying to No. Date , 19

REC'D, M.I.D., G.S SEP 26 1921

The accompanying extracts are quoted from the following sources:

(a) From a letter to this Office from Major Magruder who visited Canton in January, 1920,

(b) From a report of about July 7, 1921, prepared for the Intelligence Officer, Manila, by Captain Constant.

The opinions expressedby these two officers are in accord with opinions of some of the best civil and consular services and of practically all Americans in Canton. The opinions, while possibly too optomistic in some instances, are those of this Office.

It will be noted that these opinions are in direct variance with the material recently included in the Political Monograph on this subject. The source of this information is not, as typed, the M/A to the C.N.I., but is believed to be that of the Naval Attache. The Naval Attache visited Canton shortly after Major Magruder. The former's information is not in accord with any American sources in Canton, is not believed to be the result of unbiased investigation, and is even severely criticized and flatly contradicted by our own naval officers who have been long in touch with the Canton Situation.

It is an undeniable fact that the Canton Government is most vigorously opposed by the Hongkong British authorities. The whole British policy is to put the present Canton officials in the worst possible light, and this for quite apparent, materialistic reasons. Certain Americans in Canton stated to Captain Constant that an American naval officer visiting Canton about the time of the Naval Attache's visit had failed to get in touch with American sources of information but was conspicuously in touch with British sources of information.

The Monograph article on Sun Yat-sen from the Peking and Tientsin Times (British) is a typical attack pursuant to the British policy of discrediting the personnel of the Canton Government. It is true that Sun Yat-sen can be assailed for many of his tendencies - it is equally true that he has had sufficient virtues to maintain himself for years at the head of a large party of Chinas hopefuls, to amass no personal wealth, to keep himself free from Japanese domination as well as British domination, and to keep alive the most active hatred against the corruption of a Central Government which will one day fall before ideas he has aided in propagating.

It is urgently requested that the items under "(60) Domestic Policies" be destroyed and that they be replaced by items along the lines of the two accompanying extracts. As they stand at present they are incorrect, unjust, and any action taken thereon would be prejudicial to American interests.

Binding Margin.

THE GOVERNMENT OF SOUTH CHINA.

(a)

"Yesterday I had good interviews with Dr. Sun, C. C. Wu, Wu Ting-fang and Chen Chiung-ming. I cannot express to you how different it is dealing with these people from dealing with those officials of Pekin. These people are active, are working from early until late, you can see them with the same ease and informality as American business men, you can arrive somewhere in conversation. They have effectively cut the waste time of pleasantries and senseless entertainment. The yamens are not yamens, but offices where things are going on. They are not playing soldier and playing officialdom - they are seriously setting about to put into effect some very modern and notable ideas regarding the proper administration of China. They are attempting to put into effect ideas they have learned from us, and it certainly seems up to us to assist and encourage them in their efforts to adjust our methods and principles to Chinese conditions.

I saw these same men in Shanghai last summer and had the conventional feeling of disgust. They seemed to me destructive critics or, at least, "visionaries and dreamers". Maybe they are the latter still, but they are working hard at it it, and that is all we have ever exacted of reformers. The honest Bolsheviks are certainly doing Russia more good than all the "kept men" who reside at the Hotel de Pekin. These men impress me as working for China - I believe in them, and so do all the Americans hereabouts. Whether they succeed or fail in the present attempt is nothing. Their efforts are not wasted. In making this honest attempt, they are doing more to increase the number of Chinese who wish to be properly governed and who some day will demand to be justly governed than any other bunch in China. When you think of it awhile, these men have really for years persisted in spreading the growth of revolution and liberal ideas in China - and this even while we scoffed at them.

Assuming that they are honest and patriotic- and I believe they are more so than any other Chinese I've encountered - doesn't it seem worth our while giving them our assistance ? All Americans here are for them. They certainly, these leaders and the Cantonese people, are more close and friendly to us than the Northerners are. They trust us, and want to deal with us perhaps more than with other nationals . The British are extremely active in their efforts to monopolize the resources of Kwangtung and to devert all the trade of the country thru their "straining" organization at Hong Kong. This means that we would be entirely eliminated. The present Canton Government is absolutely such an arrangement. Consequently every British influence is at work to cause the failure of the government. The so called "Cassell's" concession is, I am assured, a joint scheme of all the big Hong Kong commercial and shipping firms. This scheme will likely go then if the present Canton Government can be eliminated. Surely this gives us reason to assist it , wholly aside from sentimental reasons.

I am convinced that the Canton Government can live and accomplish great results if they can overcome their present shortage of funds. They need money badly and they are not squandering it. I would not predict that the government will succeed in accomplishing tremendous things, replace the Peking government and give China a condition which only the passage of some years will make possible, but it will do beneficial things contributing to the condition hoped for.

The Customs surplus should certainly be allotted to the South if it is now within our power to accomplish it - I say this disregarding technicalities but only considering the good of China, the benefit to America and the maintainance of the present influence we exert over the best of the Chinese. I didn't see this when I was in Peking- there are so many things one does not see until he goes to the place and takes a look see. I have no fear that our whole Legation staff would be of the same mind if they would visit Canton. Peck was quite impressed by Quo Tai-chi and as

I remember was inclined favorably toward the view at variance with the Department's decision. He would be more convinced by seeing what these people in Canton are doing. I f our Legation could cause the Department to reconsider it would seem tobe most favorable to our interests .

All the men with whom I talked ultimately broached the subject of customs surplus and expressed great disappointment that the American Legation of all others , should withhold what they consider their share of revenue. It was a little delicate for me because I happened to know we were the " nigger in the wood pile" C. C. Wu talked quite frankly about it - but reasonably too. He suggested that it was our Legations doing and not America and Americans. In other words he intimated a slight bitterness toward our local diplomats, tactfully aimed at Mr Crane. Of course I knew why the Legations stand was taken. I also remembered the ministers contemplated trip to Canton and the possibility of some awkwardness. I told Wu that I felt rather sure that the Peking representatives of our government were not wholly responsible for the attitude toward the surplus. I should have been happy to be free to state the facts , but, while I could not do that , I think I allayed his feelings somewhat. I suggested that the present attitude was not a stand which could not be receded from if his government could demonstrate to our people here and at home the fact that they were a permanent government and justly in position to deserve their their share.

In the meantime they have declared their intention of taking their share . They have proceeded with caution and have consulted with numerous advisers in the matter. They are not acting pettishly or hastily in the matter. They believe they are right and only hope to have their share without conflicting with outside interests . They need money badly but they dont want to fall foul of foreigners. They fear particularly the British whose HongKong interests are surely trying to " get them".

If you see the matter as I do it is well worth trying to see it talked up at the Legation.

They are trying to put into force just such things as they announced in their declaration of January 20th which by this time you havec seen. I will not discuss these questions , but I believe they will go ahead with very constructive measures if they are permitted to survive as a government . Su Yat -sen is as confident as ever. He has that my - soul-goes - marching- on spirit which one cannot help smiling about and admiring. I have never observed any particular modesty in the late Mr Roosevelt, for that matter.

Chen Chiung ming was most enjoyable to meet . I talked with him for an hour and a half with a good interpreter. He is very intelligent looking has the most benign and kindly eyes I've seen in a Chinaman. He is particularly good looking, neat, very calm and deliberate but alert. I should not call him a strong looking character- perhaps because he has such a kindly expression . We talked of many different things but principally of military matters. He asked numerous questions of our army, told me principally generalities of his own army.

He was emphatic in stating that all the leaders were in accord as to their plans and objects. All of them assured me in this when I told them of reports from the North. Sun is recognized as the number one man. Chen has control of the army - but as Dr. Sun intimated the chief staff officers are "my men". I believe the differences of opinion which exist are at present well subordinated to their agreement on larger aspirations.

I gathered something as follows: about 120,000 men have been disbanded and the disbendment of irregular troops continues; it is contemplated to keep a force of about 60,000 men ; there will be certain troops stationed over the country as guards for maintaining order and four divisions will constitute the"army of maneuvre" so to speak; these four divisions will be used for furthering the plans of the government which,

to accomplish

to accomplish its aims must give more provinces the "benefits". The attack on Kwangsi is being planned as they say to remove it as a menace. "Germany" C.C. Wu said, "is a menace to France and France insists on her disarmament - so with Kwangsi". He said their disbandment could be completed and much money issued if Lu Yung ting and his ilk were eliminated. He said that great deprivation of funds was being forced upon some departments so that this menace could be got rid of. Kwangsi, after the recovery would be free to institute her local autonomy.

Chen Chiung-ming said he was favorable to the arms embargo. I suspect suspect with his arsenals working well and with the numerous waterways open to runners, he feels that the advantage of the embargo rests with the South."

(b)

SITUATION IN SOUTH CHINA

" With reference to the present government of South China, represented by Dr. Sun Yat sen, I talked with a number of Americans in Canton and elsewhere. These included the American Consul General in Canton, officers of our South China Patrol, bank employees, representatives of the Standard Oil Co. and missionaries who had been in South China for fourteen years. They, as well as the American Association of Canton, as voiced by the executive committee of that organization, believe as follows: That the present government of the Province of Kwangtung has by its benevelence and democratic policies already securwd the confidence and respect of the Chinese people in that district to a degree hitherto unattained by any previous form of government. This is evidenced by the voluntary public contributions of the people to help the Kwangtung soldiers, and also the voluntary aid given to them by the labor unions. The Americans, and in fact all foreigners, engaged in business and professional pursuits of all kinds, have been extended more courtesy and encouragement than under any previous government. The social and political reforms instituted by this administration have been real and their ideals and aspirations as exemplified by the principles which they have applied are more akin to those of Americans than those of any previous administration in China. The abolition of gambling and the production of opium have been drastic and effective. The taking of this step which deprived the government of a revenue of ten millions of dollars at a time when it was in dire financial straits, speaks volumes for the sinderity of the new regime and places their action foremost among social and ethical reforms in China. They have extended the franchise granted to the people, convened Parliament speedily and invited all the provinces to return their duly elected representatives, granted Charters to cities to establish municipal government, selected magistrates from the district in which they function and have given many other instances that form a practical demonstration that their motives are to set up a democracy. The new Republican has been very magnanimous in treating claims against it, even when these have been the result of questionable dealings with the military activities of the former Kwangsi clique. They have not used coercion in any form for the collection of taxes and they have not sacrificed any legitimate due the Treasury by offering bonuses or discounts for advance payment of taxes, a practice which had been common with previous administrations. In this connection it is interesting to note that the Kwangsi people, when in power, collected the land tax up to July 1st 1921 in advance. Dr Sun's administration takes this into consideration, and has made no attempt to repudiate this collection or collect in advance, but has announce

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announced its intention of waiting for the next tax due date, December 31st 1921, before asking for land taxes. This in itself is very unusual, and seems to be in line with their whole policy. Up until the present trouble with Kwangsi, the Southern Government made a substantial reduction in their military forces and paid the troops that were retained, so that mutiny and looting among Kwangtung troops has been practically abolished. Notwithstanding the present financial stringency, the Government has shown a distinct effort to conserve the natural resources of the province, as shown by their refusal to accept the Kwangtung Collieries Agreement in its original monopolistic form. There are several things in connection with this agreement which I will take up later. The Canton Government has not repudiated the Collieries Agreement but will acknowledge it only with certain features removed despite the strong opposition from the HongKong government. This attempt to protect the rights of the people at a time when funds are needed so badly marks an epoch in Chinese government stewardship quite in contrast to the example of Peking. The action of Dr Sun Yat sen with reference to the Collieries Contract has been a great advantage to American interests in Kwangtung. The "open door" is fast closing in that province due to Hong Kong, whose government is doing all in its power to close the port of Canton. The Americans in that city state that special favors are being shown to them, and they believe that this is due to the number of young Chinese officials in Dr. Sun's government who have been educated in the United States. The executive committee of the American Association of Canton have embodied practically what I have included in this paragraph in resolution form and sent it direct by their representative to the Secretary of State in Washington.

The Cassell Contract, sometimes called the Kwangtung Collieries Agreement was drawn up by a retired British Colonel. On the face of it this contract was connected with the collieries, as its name implies, but it was really drawn up for the purpose of getting control of the province of Kwangtung in general for the British, and to give them the right to construct a connecting railway between the terminus of the Canton-Hankow railway and the terminus of the Canton Kowloon railway. At the present time Canton is the terminus of the uncompleted Canton Hankow trunk line. When this is finished Canton will be the clearing house of Southern China. The British of course desire Hong Kong to remain the greatest port in the South and are bending every effort in that direction. The connecting line between the two stations in Canton would only have to be six miles in length and would run over level country. It was in order to build this line and ensure the future of the port of Hong Kong that the Cassell contract was negotiated. Colonel Cassell paid Du Yung ting $1,000.000 squeeze money for the signing of the contract and has tried the same tactics with SunYat -sen, but so far has proved unsuccessful. In the meantime the British have tried in every way to help the Kwangsi organization, and to discount everything that Kwangtung is trying to do. They tried to send arms up the river and protested when the Kwangtung authorities wished to search the ships Dr. Sun's government did not argue the matter but simply said that the river would then be closed. This sort of took the wind out of the British and the feeling between the two governments is as a result anything but friendly. It is evident that any news received from Hong Kong or from the north of China will be only such as the Peking and British governments desire to have known. I was very much surprised at the anti British feeling in South China. Many Americans and Chinese told me that the anti British feeling is nearly as strong as the anti Japanese. It appears that the British are out for themselves with no regard for the Chinese. A reliable informant told me that one of the men instrumental in drawing up the Cassell Contract stated to him that the way to handle the Chinese was to " boil them in oil". This is in contrast to the American policy there, which according to numerous Chinese officials with whom I talked is to give the Chinese a square deal.

I was very much interested in trying to find out the source of the Kwangtung'Government's revenue, as knowing the past history of Dr. Sun Yat-sen and others in the government I thought it might be possible that Japan was behind the screen. An informant whom I have every reason to believe is reliable, and who advises Dr. Sun on many subjects, stated to me that the only Japanese loan was handled as a regular bank loan through the Bank

of

of Taiwan. This I think has no particular bearing on this case in view of the fact that a loan for the same amount was handled through the Hong Kong and Shanghai Banking Corporation, As I have mentioned before the present government of Kwangtung is not hypothecating its taxes in advance but is running as low financially as it was until December 1st of this year, when the taxes will be due which have not been pledged , and the Republic , will , so to speak , be on its feet.

Sun Yat-sen is strongly pro American and just as strongly anti - British and anti Japanese . His trump card is the Canton Hankow railway , all of the Southern part of which lies in the Province of Kwangtung . His main idea is to get American financial aid for the completion of his part of the line, and I understand that his agents in New York are working with this end in view. Dr Sun believes that if he can get American capital interested in his province that the Americans involved will have enough political influence to cause the United States Government to back the Southern Republic. He spoke quite frankly on the Japanese question. The Japanese , he said would not risk a war with the United States until China was under their control . When this was accomplished it would be necessary for the Japanese to make a cause for war in order to hold the Chinese under their dominance. He stated that the Chinese hated the Japanese and the only hope for Japan would be to turn the Chinese against some enemy that they could both fight on a common ground and thus gain the cooperation of China in "the brotherhood of arms"

On reaching Shanghai , I found that the attitude of the people here had changed and that they are looking forward to a Kwangtung victory. It is the general opinion that while Dr. Sun or General Chen Chiung -ming may not emerge from the South China struggle in the predominant position, yet it will be one of their party , one of the younger men, who seem to be more progressive in Canton than in any part of China. The Cantonese Guilds in Shanghai are also now backing Dr. Sun. For some time they did not back the Southern Government , due to some trade trouble prior to Sun's regime. While they were in sympathy with him they could not join him without loss of much "face". The reason thaey are now backing Sun is that a common ground has been found on which they can cooperate . This common ground was the recent seizure of arms in Shanghai which the Peking Government was shipping to Kwangsi on a Japanese boat. For some reason the Japanese captain of the ship stopped in Shanghai, pressure was brought to bear and the cargo seized. There seems to be a question as to the legality of the affair, but the fact remains . It is interesting to note that the Japanese Chamber of Commerce sent a note to Tokyo protesting against the use of Japanese ships to carry munitions and then sent a letter to the Chinese merchants in which they held up the first letter as an evidence of good faith , and expressed themselves as hoping that now the friendly relations between the Chinese and Japanese merchants would be as it formerly was.

From everything I could find out it looks to me as if Dr. Sun's government was trying to really set up a good democratic rule in Southern China. The Americans there speak nothing but good of it , and of the many young Chinese, American educated , who are associated with it. Dr Sun states that just as soon as he has crushed the Kwangsi militarists , he will withdraw from that province and let it be self governing under Kwangsi men whom he has already named . His government is trying very hard for American support and at least moral support from the United States. If Kwangtung is victorious over Kwangsi , the general opinion is that they will be joined by the provinces of Hunan, Kweichow and possibly Yunnan. Against their chances stands the British opposition in the first place . Wing Yung tai the Peking representative is being entertained by the Hong Kong government, and it is as well known that the Peking government will approve the Cassell Contract in the advent of a victory by the Kwangsi forces. The Canton government has locked horns not only with Kwangsi , but also with the Hong Kong Government, and the outcome is yet uncertain.

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Source of information Local Chinese and foreign newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

OFFICE CHIEF OF STAFF MIL. INTEL.

Reference

2617-J-19 OCT 4 1921 34X

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading countries, personal or political names and the gist of the report.)

CHINESE GOVERNMENTAL ACTIVITIES.

1. Chang Tso-lin proposed trip to Peking.
2. Detained ammunition in Shanghai will not be released.
3. Wu Pei-fu appointed Super Tuchun.

WAR DEPARTMENT OCT M. I. 2.

Chang Tso-lin has wired to the Government stating that he will come to the capital in a few days to discuss a number of questions relating to Urga and the Yangtsze Valley.

1. CHANG TSO-LIN PROPOSED TRIP TO PEKING.

Chang proposes to introduce a uniform currency system for the Three Eastern Provinces and to extend it to Mongolia. He contemplates establishing a bank in Urga as a first step towards this end. The Chinese Consul General at Chita has been instructed by him to make investigation into the economic conditions of Urga and vicinity.

The Peking Government has wired to General Ho Feng-lien, Defence Commissioner of Shanghai, for the release of the shipment of arms detained by the Customs to Wu Pei-fu for use in the Hupeh-Hunan war. Many meetings have been held during the last few days by the residents of Hupeh, Hunan and Kwangtung to discuss what actions they should take in the matter. Delegates have been elected to ask the Defence Commissioner not to release the shipment pending the settlement of the general situation in the country.

2. DETAINED AMMUNITION IN SHANGHAI WILL NOT BE RELEASED.

By a Presidential mandate, General Wu Pei-fu has been appointed Super Tuchun of Hunan and Hupeh and General Hsiao Yao-nan Tuchun of Hupeh with Sun Chang-fang as Commander-in-chief of the Upper Yangtsze Valley troops. It is doubtful whether Wu Pei-fu will accept because it will tie him to this region only, whereas at Loyang, he occupied the center of the stage.

3. WU PEI-FU APPOINTED SUPER TUCHUN.

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Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

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M.I.2

Brief.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CHINESE GOVERNMENTAL ACTIVITIES.
1. To organize attack on North.
2. Preparation for the Pacific Conference.
3. Hupehites would abolish Tuchunate.

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WAR DEPARTMENT

A conference was held in Canton to devise ways and means to bring General Shen Hung-yin to terms in order to organize a united force to attack the North. The following five decisions were arrived at: 1. Chen Chiung-ming is invested with full power to win over Shen; 2. Tang Chi-yao should be appointed commander-in-chief of the invading forces, Yunnan, Kweichow, Szechuan and Hunan be asked to send one division each; 3. Li Lieh-chun and Hsu Chung-chi should be instructed to attack Fukien and Kiangsi; 4. Liu Hsiang and Chao Heng-ti should join forces in invading Hupeh; 5. That the headquarters should be established at Changsha.

1. TO ORGANIZE ATTACK ON NORTH.

Preparations in connection with the participation of this country in the Washington Conference which have been under way for some time, are reported to be of a very complicated character, it being considered necessary that all the documents and treaties to be submitted to the Conference by China have to be compiled. A preparation bureau has been established with the vice Minister and Philip Tyau as Chairman and vice Chairman respectively.

2. PREPARATION FOR THE PACIFIC CONFERENCE.

The members of the provincial assembly (provisional) met at Yochow and elected General Chiang Tso-ping, former Vice Minister of War, and now commander-in-chief of the Hupeh People's Army, to act as High Commissioner for the self-government of Hupeh. It was decided to abolish the Tuchun system introduce self-government in Hupeh.

3. HUPEHITES WOULD ABOLISH TUCHUNATE.

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Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

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CHINESE GOVERNMENTAL ACTIVITIES.

1. Chinese warships on the Sungari.
2. Chang Tso-lin's method of getting money.
3. Demands presented to new Hupeh Tuchun.

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M. I. 2.

1. CHINESE WARSHIPS ON THE SUNGARI.

Captain Wong Chung-wen, commander of the Chinese gunboat squadron on the Sungari and Amur rivers, has been instructed by the Government to proceed to Sankiangkow to investigate the report that Russian gunboats are illegally searching Chinese steamers and junks. The negotiation regarding the firing on the Chinese steamer Hangchow is still unsettled.

2. CHANG TSO-LIN'S METHOD OF GETTING MONEY.

Chang Tso-lin wired to the Government that he has abandoned the idea of rescuing Mongolia and abandon this vast territory to its fate after receiving huge sums from the Government for this purpose. In his telegram he further hinted that if the Government wishes him to open the office of the High Commissioner of Mongolia, Peking must provide fund for this purpose and that military accounts must not be mixed with those of the civil administration. In other words, Chang Tso-lin is trying to rob the Government another big sum.

3. DEMANDS PRESENTED TO NEW HUPEH TUCHUN.

Four demands were presented to Tuchun Hsiao of Hupeh by General Chiang Tso-ping as follows: 1. Proclamation of self-government of Hupeh; 2. All troops under Chiang to be treated as soldiers of the autonomous government of Hupeh; 3. Abrogation of all policies which contravene the principles of self-government; 4. Disbandment of all troops loyal to Wang Chan-yuan.

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CHINESE GOVERNMENTAL ACTIVITIES.
1. Japanese attempt to exclude Shantung in Pacific Conference.
2. The 10th Year Domestic Bonds.
3. Self-Government to end internal strife.

M. I. 2.

1. JAPANESE ATTEMPT TO EXCLUDE SHANTUNG IN PACIFIC CONFERENCE

The Japanese will organize a system of propaganda for the exclusion of the Shantung question from the Pacific Conference. Japan, on her failure to induce China to enter into direct negotiations re the Shantung question, has offered to negotiate for the withdrawal of the military police from the Yenki districts.

2. THE 10TH YEAR DOMESTIC LOAN BONDS.

With regard to the flotation of the 10th Year Domestic Loan Bonds, it is said that after a clear explanation from the Ministry of Finance, the Chinese Bankers Association is about to withdraw its opposition to the loan. The ministry has inaugurated a temporary department to afford adequate guarantees for the payment of interest and repayment of capital.

3. SELF-GOVERNMENT TO END INTERNAL STRIFE.

A group of retired officials have signed a letter to the Government, urging the promulgation of the self-government system in the provinces as the best means of putting an end to military domination. In the retirement of Wang Chan-yuan and the appointment of Wu Pei-fu as Super Tuchun, these officials see the beginning of the end for the leading militarists, but they say that unless self government can go ahead without restraint, the followers of the militarists will continue to make trouble.

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CHINESE GOVERNMENTAL ACTIVITIES.
1. Chang Tso-lin's power waning.
2. The Hupeh Situation.
3. Opposition to loans in Szechuan.

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WAR DEPARTMENT

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1. CHANG TSO-LIN'S POWER WANING.

The headquarters of the High Inspecting Commissioner for Manchuria and Mongolia has officially denied the report that General Chang Tso-lin has resigned from the post of Inspecting Commissioner.

2. THE HUPEH SITUATION.

Owing to the detention of several officers of the Kirin circuit and the Chief of Staff to General Sun Lieh-chen, Tuchun of Kirin, there is danger of a split of the so-called Fengtien faction internally in the not distant future.

The Hunan forces under General Chiang Tso-ping, former ex Minister of War, are marching into Hupeh to creare trouble for the new Tuchun. It is believed that General Chiang's threat against Wuchang is largely a bluff to secure favorable terms for surrender. General Wu Pei-fu is due to arrive in Wuchang sometime this week and he will have to decide between giving Chiang a post that will satisfy him or of disbanding his forces by a campaign.

3. OPPOSITION TO LOANS IN SZECHUAN.

The gentry of Szechuan residing in Peking have made strong representations to the authorities against the contracting of foreign loans by the provincial authorities, which recently contracted a loan of $5,000,000 through the medium of the Ta Chung Bank with the salt tax revenue as security.

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Source of information Local Chinese and foreign Newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

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CHINESE GOVERNMENTAL ACTIVITIES.
1. Tibetan outlaws menacing Szechuan.
2. Conflicting reports about Hupeh.
3. Manchurian Hunghutze.

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1921 2657-D-1-100

WAR DEPARTMENT

Chen Hsia-lin has wired to the Government stating that unless his men are paid and provisions sent to him, he can not do anything to check the Tibetan outlaws and his forces are in danger of being annihilated. The Government has already given him a reply informing him that he should draw funds from the Szechuan budget.

1. TIBETAN OUTLAWS MENACING SZECHUAN.

It is reported that Wu Pei-fu, on arrival at Hankow, has sent an ultimatum to General Chiang Tso-ping that unless he submits to the authorities, force will be used against him. He also states that he has 30,000 men in Hankow ready to march at a moment's notice. Another report states that General Hsiao Yao-nan has wired to the Government informing it that everything is going smoothly and that Chao Heng-ti and Chiang Tso-ping have sent congratulations to him and General Wu.

2. CONFLICTING REPORTS ABOUT HUPEH.

General Wu Chun-shen, Tuchun of Heilungkiang, has left for Imanpo and other stations of the Chinese Eastern Railway to inspect the Chinese military guards there, and to investigate the timber concessions raided by Hunghutzes. Many Hunghutzes have been captured and all the arms captured were marked "made in Japan". General Wu, with the co-operation of General Sun Lich-chen of Kirin, has now organized a special military force which will partol the railway zone in addition to the ordinary railway guards.

3. MANCHURIAN HUNGHUTZE.

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Source of information Local Chinese and foreign newspapers

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2657-J-280

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CHINESE GOVERNMENTAL ACTIVITIES.
1. Premier Chin's retention of office depends on Wu Pei-fu's ability to unify the country.
2. Negotiations for the return of Urga.
3. Another Japanese loan proposed.

WAR DEPARTMENT

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3 Y

It is rumored in official circles that Premier Chin Yun-peng will retire owing to the failure of the unification policy. Premier Chin is quoted as saying that his continuation in office depends entirely upon the Hunan-Hupeh situation and that if General Hsiao Yao-nan and General Wu Pei-fu can adopt his reunification policy in dealing with Hunan, he may be able to continue.

1. PREMIER CHIN'S RETENTION OF OFFICE DEPENDS ON WU PAI-FU'S ABILITY TO UNIFY THE COUNTRY

Owing to the failure of General Chang Tso-lin to reach any definite arrangement with Yourin, the Ministry of Foreign Affairs has wired to the Chita representative at Mukden to come to the capital to take up the matter with the diplomatic authorities here so that the matter may be settled satisfactorily to both parties.

2. NEGOTIATIONS FOR THE RETURN OF URGA.

Owing to financial stringency the Ministry of the Navy intended to dispose of all the German and Austrian warships and merchant vessels in Chinese waters during the war. The Ministry of Finance is negotiating with the Japanese firm of Mitsui & Co. for a loan of Yen 2,000,000 with these vessels as security. Negotiations are now in progress.

3. ANOTHER JAPANESE LOAN PROPOSED.

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ROUTINE

ISSUED BY OFFICE OF NAVAL INTELLIGENCE, NAVY DEPARTMENT

ATTACHE'S REPORT BLANK

From E. Date August 9, 19 31 Serial No. 476 (Commence new series) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

NOTE.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CHINESE GOVERNMENTAL ACTIVITIES.
1. Chao Heng-ti's suggestions for unification.
2. Wang Chan-yuan still in Wuchang.
3. Chief Justice of Shansi after opium.

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General Chao Heng-ti of Hunan issued an official dispatch suggesting the following plans for the unification of the country: 1. That a National Citizens' Convention should be called at Hankow or any other city to be selected by the northern and southern provinces; 2. Each province should be allowed five delegates regardless of the size of the province to discuss and pass a constitution for the Chinese Republic.

1. CHAO HENG-TI'S SUGGESTION FOR UNIFICATION.

General Wang Chan-yuan is still in Wuchang awaiting instructions from the Government to appoint General Hsiao Yao-nan as Tuchun who refuses to take over the post unless the Government issues a mandate to that effect. He has everything ready to leave at a moment's notice. It is said that Wang Has, during his tenure of office, accumulate a fortune of $16,000,000 which was transferred to Tientsin a few weeks ago. There is a proposal to appoint Wu Pei-fu as the Inspecting General of Hunan and Hupeh but as Chang Tso-lin is not so very friendly with Wu Pei-fu, his attitude is awaited with keen interest.

2. WANG CHAN-YUAN STILL IN WUCHANG.

The Chief Justice of Shansi, Mr. Hsu Wei-chen, is showing great zeal in the suppression of opium in Shansi and he has set an example for his colleagues in the province to do likewise. During June and July he has burnt an enormous amount of confiscated opium in the presence of a big crowd and a few foreigners.

3. CHIEF JUSTICE OF SHANSI AFTER OPIUM.

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ROUTINE

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Section L Date August 2, 19[illegible] Serial No. 475 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. Index.)

Source of information Local Chinese and foreign newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CHINESE GOVERNMENTAL ACTIVITIES.
1. Resignation of Wang Chan-yuan.
2. Another Peking-Suiyuan Railway Loan.
3. Plague in Fukien province.

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After several reverses sustained by his troops, General Wang Chan-yuan has made arrangements for his resignation in favor of General Hsiao Yao-nan. It is expected that this step will bring an end to the present Hupeh-Hunan quarrel. General Wu Pei-fu has sent another division of troops to support General Hsiao. The Civil Governor, Liu Jen-en, has wired to the Government tendering his resignation.

1. RESIGNATION OF WANG CHAN-YUAN.

The Peking-Suiyuan Railway has been built with Chinese money and extension has been carried on from time to time. The Ministry of Communications is contemplating the issuing of bonds to the value of $5,000,000 for a further extension of the railway and negotiations are being carried on with the Chinese Consortium which agrees to underwrite the whole amount provided the Government will not use this amount for any other purposes other than for railway building.

2. ANOTHER PEKING-SUIYUAN RAILWAY LOAN.

Bubonic plague has broken out in the province of Fukien and in south Fukien thousands die daily. Reports of the presence of plague have been sent in since April but the Tuchun and Shangchang have not done anything to fight this dreaded diseases.

3. PLAGUE IN FUKIEN PROVINCE.

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ROUTINE

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Date August 6, 1921 Serial No. 474 File No.

(Commence new series) (Select proper number from O. N. I. index.)

Source of information: Local Chinese and foreign newspapers

Subject: CHINA (Nation reported on.) STATE (Index title as per Index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CHINESE GOVERNMENTAL ACTIVITIES.

1. Possible dismissal of Wang Chan-yuan.
2. The Nanchang-Kiukiang Railway.
3. Japanese to exhibit own manufactures.
4. The Tenth Year Domestic Bonds.

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Owing to the strong opposition of the people against Wang Chan-yuan, the President and Premier are discussing the question relating to the dismissal of the Hupeh Super Tuchun. The main issue to be settled is whether, with the dismissal of Wang Chan-yuan, there will be peace in Hupeh. It is anticipated in many circles that General Hsiao Yao-nan will come to an understanding with the Hunan forces after the dismissal of Wang and that no serious fighting will take place.

1. POSSIBLE DISMISSAL OF WANG CHAN-YUAN.

The Japanese are contemplating taking over control of the Nanchang-Kiukiang Railway owing to the inability of the railway to pay debts amounting to $2,500,000 to the Japanese company. The Japanese are said to be prepared to take over the management of the railway according to provisions of the loan agreement.

2. THE NANCHANG-KIUKIANG RAILWAY.

The Japanese, in order to remedy the situation caused by the boycott, which seriously effects the sale of Japanese goods, are planning to hold an exposition in Shanghai and other cities, in October, to show the Chinese that they are manufacturing high grade goods.

3. JAPANESE TO EXHIBIT OWN MANUFACTURES.

All the bankers are opposing the issurance of the 10th Year Domestic Bonds. The Bankers Association has decided to refrain from sending representatives to join the Commission for the Supervision of the Reserve Fund. However, the Government is determined to issue these bonds as there are no other means to relieve the financial stringency.

4. THE TENTH YEAR DOMESTIC BONDS.

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Date August 5 1921 Serial No. 475 (Consecutive per series) File No. 105-100 (Consecutive number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

Brief.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CHINESE GOVERNMENTAL ACTIVITIES.
1. Government financial measures.
2. Cantonese army advancing on Nanning.
3. The Mongolian expedition.

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Premier Chin Yun-peng summoned Mr. Pan Fu, the acting Minister of Finance, to his private residence to discuss measures in dealing with the appeals for funds from different sides. At the meeting Mr. Pan suggested the classification of the funds demanded into items of primary importance, of secondary importance and ordinary, and the following measures were decided: 1. That small loans be raised to pay the military expenses for the troops in Hupeh; 2. That economy should be exercised over the administrative and military expenditure; 3. No funds will be advanced for the Mongolian expedition at present; 4. That Shensi should raise its own money for military expenses at present.

1. GOVERNMENT FINANCIAL MEASURES.

On General Wang Pai-kwai's refusal to hand over the administration of Nanning, the Cantonese army is advancing toward that city and an ultimatum has been sent ahead requiring Wang to disarm, otherwise he will be attacked. The Cantonese army is encountering unexpected difficulties in disarming General Lu Yung-ting followers.

2. CANTONESE ARMY ADVANCING ON NANNING.

Chang Tso-lin has telegraphically informed the Government that he will proceed with the expedition to Mongolia. It is stated that Tuchun Wu Chi-shen of Heilungkiang will be removed because he opposed the sending of this expedition.

3. THE MONGOLIAN EXPEDITION.

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Date August 4, 1921 Serial No. 478 (Commence new series each January first.) File No. [illegible] (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CHINESE GOVERNMENTAL ACTIVITIES.
1. The situation in Hupeh.
2. Shensi situation settled.
3. Chekiangese fighting among themselves.

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It is reported from various sources that fighting is taking place between the Hupeh and Hunan forces ten miles from Puchi. Chang Tso-lin has informed Wang Chan-yuan that he is not sending any troops to Hupeh but is only replacing the Chihli troops who have been sent to Hupeh. General Hsiao Yao-nan is not moving his troops from Hankow and Wuchang as it is considered that the Hupeh troops are sufficient for the campaign against Hunan. Martial law has been declared and Wang Chan-yuan refuses to permit foreigners to proceed to the front to witness the fight.

1. THE SITUATION IN HUPEH.

With the arrival of Commander Liu Shih-lung, General Chen Shu-fan's lieutenant, in Sian with his troops, the Shensi problem is practically settled. General Wu Hsin-tien has gone to Hanchung with the 7th Division to restore order there.

2. SHENSI SITUATION SETTLED.

Serious disputed have arisen in Chekiang in regard to the parliamentary election, where the views of the people are divided into two different versions. One party is desirous of carrying out the election while the other is determined to check it. The Tuchun has proposed that each district should appoint a representative to decide the dispute. The majority is of the opinion that the parliamentary election is against the drafting of the provincial constitution, either one ot the other should be cancelled.

3. CHEKIANGESE FIGHTING AMONG THEMSELVES

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Date August 5, 19 22 Serial No. 468 (Consecutive series, each military inst.) File No. 2000-100 (From O. N. I. index.)

Source of information: Local Chinese and foreign newspapers

Subject: CHINA (Name reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CHINESE GOVERNMENTAL ACTIVITIES.
1. Mongols seek Chinese aid.
2. Another military conference.
3. Ammunition destroyed at Tsitsihar.
4. Appointment for Wu Pei-fu.

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Mr. Ta Shou, the Pacification Commissioner to Inner Mongolia, arrived at Doloner on June 30 where he will meet the chiefs of all the Mongolian tribes. Mr. Ta was informed that even though Ungern's forces had been defeated, the Mongol outlaws are still very active and the Mongol leaders request that Chinese forces be sent to suppress these bandits.

1. MONGOLS SEEK CHINESE AID.

The Government is preparing to call a special Military Conference in which the Tuchuns are to be invited to attend personally or to appoint representatives to discuss new plans for solving the Mongolian, Hupeh, Manchurian and other important problems.

2. ANOTHER MILITARY CONFERENCE.

Tuchun Wu reports that in the explosion of the magazine in Tsitsihar, Heilungkiang. 10,000 000 rounds of rifle ammunition and 3,000 shells were destroyed, besides gun powder. The officers of the guards have disappeared and measures to ascertain the original cause of the disaster have been taken.

3. AMMUNITION DESTROYED AT TSITSIHAR.

It is reported that the following decisions have been arrived at by the Paoting Conference: General Wu Pei-fu will be appointed Tuchun and Inspector General of Hupeh with General Hsiao Yao-nan as his assistant. Chi Hsieh-yuan is to be promoted Inspector General of Kiang su, Kiangsi and Anhwei with General Chen Kwang-yuan of Kiangsi as Assistant.

4. APPOINTMENT FOR WU PEI-FU.

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Attaché Peking Date August 1, 1921 Serial No. [illegible] (Change every each January first.) File No. [illegible] (Taken from O. N. I. index.)

Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

OFFICE CHIEF OF STAFF INTEL. DIV.

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WAR DEPARTMENT

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CHINESE GOVERNMENTAL ACTIVITIES:
1. Canton to act in unison with Peking in Pacific Conference.
2. Anti-opium Conference.
3. Hanchang Fears mutiny.
4. Russian trouble makers arrested.

According to information, Canton is willing to join Peking in the repre-

1. CANTON TO ACT IN UNISON WITH PEKING IN PACIFIC CONFERENCE.

sentation at the Pacific Conference in Washington but Canton must be satisfied with the delegates chosen. It is stated that Dr. C.T. Wang is acceptable to the South. The Ministry of Foreign Affairs intends to invest full power with Dr. Wellington Koo.

The Ministry of Interior proposes to hold an anti-opium conference in Peking, to which the provinces will be

2. ANTI-OPIUM CONFERENCE.

invited to send representatives. Mr. Cha Sn-hao has been instructed to go into the matter and make the final arrangements.

About 3,000 new recruits have arrived in Hanchang for the formation of one new brigade of troops despite the

3. HANCHANG FEARS MUTINY.

protests of the people. The troops have not been paid for several months and the public is in fear of mutinies.

Tuchun Wu of Heilungkiang has wired to the Government stating that Some fifty Russian rebels have

4. RUSSIAN TROUBLE MAKERS ARRESTED.

been captured along the Chinese Eastern Railway line and evidence proving their guilt of plotting disturbances and menaces in Chinese territory have been found. The Government has been requested to give directions for the disposition of these men.

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ATTACHE'S REPORT BLANK — ROUTINE

Date 28 July, 1921 Serial No. 455 (Commence new series each January first.) File No. 1656-16 (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

Brief.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CHINESE GOVERNMENTAL ACTIVITIES:

1. Chihli-ites gain another supporter.
2. A spoke in Chang Tso-lin's wheel.
3. To appoint Chang Hsun as Tutung of Jehol.
4. Inducements offered for recognition.

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1. CHIHLI-ITES GAIN ANOTHER SUPPORTER.

The notorious rebel ringleader, Kuo Chien, who had been creating trouble in Shensi for Chen Shu-fan since 1917, using Fenghsiang as the base of his operations, has been enlisted by Tuchun Yen Hsiang-wen as one of the divisional commanders of the Chihli party. It is understood that Kuo Chien's forces will be converted into a division. With this new addition, the Chihli-ites will be greatly strengthened and that no serious trouble will be expected from Chen Shu-fan's troops.

2. A SPOKE IN CHANG TSO-LIN'S WHEEL.

It is reported from reliable sources that after General Wu Pei-fu has assembled his forces in Hupeh, he will take over control of affairs in that province, failing which he intends to remain neutral while the Hunanese attack. The plan is to place Hsiao Yao-nan, a divisional commander of the Chihli party, as Tuchun of Hupeh and this move will be considered as a counter measure to Chang Tso-lin's increase of power by taking over Mongolia and the three Special Administrative Areas.

3. TO APPOINT CHANG HSUN AS TUTUNG OF JEHOL.

It is learned that in order to put an end to the dispute for the post of Tutung of Jehol, Chang Hsun should be appointed to succeed Chiang Kuei-ti who will be transferred to

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Attaché [illegible] Date [illegible], 19[illegible] Serial No. [illegible] (Commence new series each January first.) File No. [illegible] (Select proper number from O. N. I. index.)

Source of information

Subject (Nation reported on.) (Index title as per index sheet.) (Subtitle.)

Reference

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another post. It is considered this will be carried out as both Chiang Kuei-ti and Chang Hsun are old friends. Chang Tso-lin heartily approves of this plan.

Mr. Yourin is doing his utmost to obtain China's signature to the Sino-Russian Commercial Treaty by offering numerous concessions and gifts to the Chinese Governments, such as the returning of the Boxer indemnity, to compensate losses sustained by Chinese, etc.

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Date 20 July 19[illegible] Serial No. [illegible] (Commence new series each January first.) File No. [illegible] (Select proper number from O. N. I. Index.)

Source of information Local Chinese and foreign Newspapers.

Subject CHINA (Nation reported on.) STATE POLITICAL CONDITIONS (Index title as per index sheet.) (Subtitle.)

Reference

OFFICE CH. MIL. INTEL. DIV.

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CHINESE GOVERNMENTAL ACTIVITIES;
1. The Sino-Russian Commercial Treaty.
2. Lu Yung-ting in Lungchow.
3. Kiangsi Tuchun takes precautions.
4. Foreign Aggression in Harbin.

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WAR DEPARTMENT

Mr. Yourin, Minister of Foreign Affairs for the Chita Government, has arrived in Peking, and is said to have called at the Ministry of Foreign Affairs. Owing to the absence of V. T. Yen, the Vice Minister received him. Mr. Yourin urged a speedy conclusion of the commercial treaty with the Chita Government which will, as a mark of Russian friendship, return the sixty-four Chinese villages taken from China during the Tsarist regime.

1. THE SINO-RUSSIAN COMMERCIAL TREATY.

It is reported that General Lu Yung-ting has not left for Annam, but has decided to make a last stand in Lungchow, which the Cantonese have not captured.

2. LU YUNG-TING IN LUNGCHOW.

Tuchun Chen of Kiangsi reports that the Yunnanese and Cantonese forces under General Li Lieh-chun and Hsu Chung-chi are marching towards Kiangsi via Nanhsiung. The Government is advised to formulate plans to meet the situation.

3. KIANGSI TUCHUN TAKES PRECAUTIONS.

It is reported that the foreign Consular Corps in Harbin are preparing a formal demand to the Government demanding the conversion of Harbin into an international settlement to afford better protection to foreign residents. It is predicted that with this as a precedent, the

4. FOREIGN AGGRESSION IN HARBIN.

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Attaché Date 28 July, 1919 Serial No. [illegible] (Consecutive numbers under each January first.) File No. [illegible] (Select proper number from O. N. I. Index.)

Source of information

Subject
(Nation reported on.) (Index title as per index sheet.) (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

Japanese will have cause to demand more concessions in Shantung and elsewhere in order to afford better protection to her nationals.

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From: I. Date July 28, 1921 Serial No. 446 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information: Local Chinese and foreign newspapers

Subject: CHINA (Nation reported on.) STATE (Index title as per Index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CHINESE GOVERNMENTAL ACTIVITIES.

1. Kwangsi general refuses to surrender arms.
2. General Wu Pei-fu in Hankow.
3. Bank demands payment of loans.

OFFICE CHIEF OF STAFF MIL. INTEL. DIV. 21 NOV 7 1921 2657-J-2 WAR DEPARTMENT 31

It is learned that the campaign against Kwangsi by the Cantonese is taking a less favorable turn. The Kwangtung troops are meeting with difficulties in dealing with the Kwangsi forces who are making desperate stands and the alleged capture of a series of Kwangsi towns is exaggerated. There is no confirmation in government circles that Lu Yung-ting has gone to Annam. General Shen Hung-yin, the new Commander-in-chief of the Kwangsi army, refuses to surrender to the Cantonese but promises to declare independence without surrending arms.

1. KWANGSI GENERAL REFUSES TO SURRENDER ARMS.

It is reported that General Wu Pei-fu is in Hankow to take full charge of the defence of the province. Wu's presence in Hankow with his troops under instruction from Tsao Kun and Chang Tso-lin is to prevent Wang Chan-yuan's fall for the present and it is anticipated that the future attitude of Wu Pei-fu may not be one to the entire liking of Wang Chan-yuan. General Hsiao Yao-nan, who has been recommended by Wu Pei-fu and Tsao Kun as the successor of Wang Chan-yuan is also in Siao-kan and it is most likely that he will be appointed Tuchun of Hupeh in the near future.

2. GENERAL WU PEI-FU IN HANKOW.

A note has been sent by the Bank of Communications to the Ministry of Finance demanding the repayment of $8,000,000 advanced by the bank to the Government for administrative purposes during the last few months. This move is probably engineered by the Chiaotung clique which controls the Bank in order to embarrass the present Cabinet.

3. BANK DEMANDS PAYMENT OF LOANS.

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Date July 27, 1921 Serial No. 445 (Commence new series each January first.) File No. 102-100 (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.

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CHINESE GOVERNMENTAL ACTIVITIES.
1. Conference at Premier's residence.
2. Another Sino-Japanese venture.
3. Admiral Lan Chien-hsu leaving for Canton.
4. Chao Heng-ti's excuse.

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WAR DEPARTMENT

At a banquet in the Premier's residence which was attended by the Ministers and Vice Ministers of the General Staff, Army and Navy and Mr. Pan Fu, Acting Minister of Finance, an urgent conference was held in which military measures to deal with the situation in Hunan, Hupeh, Szechuan and Shensi, as well as the supply of military expenses and arms and ammunition were discussed. The meeting lasted two hours and the decisions were telegraphed to General Tsao Kun at Paotingfu for consideration.

1. CONFERENCE AT PREMIER'S RESIDENCE.

The agreement for the organization of a joint company between Mr. Okura and General Chang Tso-lin, aiming at the development of the natural resources of Mongolia was signed on the 18th instant. Negotiations for the formation of the company have been going on for a long time.

2. ANOTHER SINO-JAPANESE VENTURE.

Admiral Lan Chien-hsu, who has been allowed to resign as Commander-in-chief of the Navy, owing to his disagreement with the Minister of the Navy over the payment of arrears, wires to the government declining to accept the promotion to the title of Chengtseng Chiangchun (General). It is reported that Admiral Lan is leaving for Canton shortly.

3. ADMIRAL LAN CHIEN-HSU LEAVING FOR CANTON.

The Tuchun of Hunan, Chao Heng-ti, wired to the Government stating that he is unable to control the actions of his troops but he says he is doing his best to avoid further conflict with the Hupeh forces. Northern troops are pouring into Hankow.

4. CHAO HENG-TI'S EXCUSE.

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Date July 25 1921 Serial No. (Commence new series each January first.) File No. (See back hereof and number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers

Subject (Name country and on.) CHINA (Index this subject on index sheet.) STATE POLITICAL CONDITIONS (Subject.)

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CHINESE GOVERNMENTAL ACTIVITIES.

1. Situation in Kwangsi.
2. The Hupeh muddle.
3. Payless officials.

1921 NOV 4 26 57-2-204 29 WAR DEPARTMENT

It is stated that General Lu Yung-tung is still in Wumin, Wuyuan-hsien, and the President has requested him to come to Peking to device means to save the situation.

1. SITUATION IN KWANGSI.

Fighting between the Kwangtung and Kwangsi forces ceased on the 15th instant when Shen Hung-yin, the new Commander-in-chief of the Kwangsi army, proclaimed his capitulation to the Kwangtung army. General Shen has pledged himself to establish a self-government in Nanning at once, adding that the autonomous government of Kwangsi will join with all other provinces for the establishment of a Confederacy of Chinese Provinces in the future.

General Chao Heng-ti has attacked Hupeh and Chang Tso-lin has asked Tsao Kun to maintain Wang Chan-yuan's position and to send help but it is doubtful whether Wu Pei-fu will

2. THE HUPEH MUDDLE.

send any troops to assist Wang in view of the fact that he is on very good terms with General Chao Heng-ti of Hunan. Some believes that this is only an attempt to place Wu Pei-fu as Tuchun of Hupeh and Chang Tso-lin will not be sorry to see Wu as Tuchun which will take him away from the Northern Provinces.

A panic is prevailing among the lower officials owing to the inability to secure their monthly salaries.

3. PAYLESS OFFICIALS.

Although the government has concluded a number of loans, the proceeds are all appropriated for military purposes.

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Attaché Shanghai Date July 28, 1922 Serial No. 443 (Commence new series each January first.) File No. 108-100 (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

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CHINESE GOVERNMENTAL ACTIVITIES.
1. Commission to study questions for Pacific Conference.
2. Chinese Government asked to ratify Postal Convention.
3. Japanese arrogance.

W. W. Yen, the Minister of Foreign Affairs, proposed to the Cabinet that a preparatory commission should be formed in order to study the various questions to be brought up at the Pacific Conference. The following will be discussed by the Commission: 1. Ways and means for raising the necessary funds to finance the delegation; 2. Selection of the Chinese delegation; 3. Formulation of China's program; 4. Estimated requirements of the Chinese army and navy.

1. COMMISSION TO STUDY QUESTIONS FOR PACIFIC CONFERENCE

The Spanish Government has addressed a note to the Chinese Government, urging it to ratify the Postal Convention passed by the International Postal Conference at Madrid last year. At the Conference, England, America, Russia and France agreed to abide by the Conference's decision to abolish foreign post offices in China but Japan has offered strong opposition. It is learned that the Government will formally ask the Japanese Government to withdraw its post offices in China.

2. CHINESE GOVERNMENT ASKED TO RATIFY POSTAL CONVENTION

The Commissioner of Foreign Affairs wired to the Government stating that in spite of the fact that the proposal to open Ichang as an international concession, the Japanese Consul has appointed delegates to make the necessary preparations for the opening of Ichang as a concession. The Government is requested to lodge a protest with the Japanese Minister in order to maintain the sovereignty of China.

3. JAPANESE ARROGANCE.

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From X. Date 28 July, 1921 Serial No. 441 (Commence new series each January first.) File No. 100-100 (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

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CHINESE GOVERNMENTAL ACTIVITIES:

1. Hupeh Tuchun's efforts to regain prestige.
2. Salt revenue slipping from Peking.
3. Government to make apology to student body.
4. Lu Yung-ting flees to Haiphong.

2657-J-20X 27

Wang Chan-yuan, the Tuchun of Hupeh, is convinced that he must do something if he is to regain his prestige lost through the mutinies of Ichang and Wuchang. He is calling a conference to devise ways and means to reunite the southern provinces.

1. HUPEH TUCHUN'S EFFORT TO REGAIN PRESTIGE.

The Hunan provincial government has forced a loan from the salt merchants amounting to over $500,000 and these merchants have sent protests to Peking. At the time of the reorganization of the Salt Gabelle police last winter, it was said that the revenue would greatly increase. It is stated that more and more of the salt revenues are being detained by provincial authorities.

2. SALT REVENUE SLIPPING FROM PEKING.

Wang Chih-haiang has been appointed by the Government to make the "reconciliation" to the Directors, the teachers and the students for assault on them on June 3 by the Government soldiers.

3. GOVERNMENT TO MAKE APOLOGY TO STUDENT BODY.

It is reported that after the defeat of the Kwangsi forces, Lu Yung-ting has fled to Haiphong. This will mean the severance of of relations by Kwangsi with the Peking Government and it is believed that the victory of the Kwangtung army renders it more difficult for the reunification of the country.

4. LU YUNG-TING FLEES TO HAIPHONG.

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Date 21 July, 19 21 Serial No. 424 File No. 105-100
(Commence new series) (Select proper number from O. N. I. index.)

Local Chinese and foreign newspapers.

Information

CHINA	STATE	POLITICAL CONDITIONS
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Reference

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CHINESE GOVERNMENTAL ACTIVITIES:
1. Modifications in the Banking Act.
2. Wang Chan-yuan still recruiting.
3. Activities of Anfuites.

2657-9-204
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WAR DEPARTMENT

The Ministry of Finance is modifying the Banking Act which is deemed impracticable owing to the change of conditions.

1. MODIFICATIONS IN THE BANKING ACT.

According to the modification, a bank or shop undertaking deposits and transfers, and other banking transactions, shall have at least $200,000, half of which shall be fully subscribed. Each bank is to make detailed report semi-annually and the Government may suspend operation of the bank if it violates the laws and regulations or if the Government finds it to be unsafe.

In spite of his reported illness, it is stated that Wang Chan-yuan still continues to recruit new troops to fill the vacancies left by the mutineers. The Hupeh people are indignant and it is reported that Tsao Kun has advised him to cease recruiting and ordered the local officials of Chihli to prohibit recruiting in Chihli.

2. WANG CHAN-YUAN STILL RECRUITING.

A gang of Anfuites has been at work at Paoting and Tientsin. General Tsao Kun has taken every precautions to guard against them and as a result several military officers, Cheng Hu-han and Lo Ying-chao, have been arrested and handed over to the martial court to be dealt with.

3. ACTIVITIES OF ANFUITES.

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Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS. (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CHINESE GOVERNMENTAL ACTIVITIES:
1. Proposal to place Shensi and Shansi under Tsao Kun.
2. Hupeh Tuchun ill.
3. The title deeds tax.

2657-9-204
25

General Yen Hsiang-wen, Tuchun of Shensi, has wired to the Government suggesting that Shensi should be placed under the control of General Tsao Kun. He also proposed that General Tsao should be made Inspecting Commissioner of Chihli, Honan, Shantung, Shensi and Shansi. This is an attempt on the part of the Chihli leaders to increase their power in order to equalise the balance of power of Chang Tso-lin who has been recently appointing High Pacification Commissioner for Mongolia.

1. PROPOSAL TO PLACE SHENSI AND SHANSI UNDER TSAO KUN.

A Hankow report says that General Wang Chen-yuan is seriously ill and on the advice of his doctor he will enter a hospital to recuperate. During his absence, Fang Jih-chung will act as Tuchun and Civil Governor in his stead.

2. HUPEH TUCHUN ILL.

The Government has found another scheme to increase the empty coffers of the Government by introducing a tax for the reexamination and renewal of title deeds which will yield a tremendous sum. Negotiation with the province is progressing so as to prevent the militarists from detaining the proceeds. The Government consents to allot a certain percentage to the provinces if they refrain from interfering with it.

3. THE TITLE DEEDS TAX.

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Date 28 July, 1921. Serial No. 450 (Commence new series each January first.) File No. 100-100 (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) WAR (Index title as per index sheet.) LOCAL CONDITIONS (Subtitle.)

Reference

OFFICE CHIEF OF STAFF MIL. INTELL. DIV. 1921 NOV 7 2657-J-204 WAR DEPARTMENT

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CHINESE GOVERNMENTAL ACTIVITIES:

1. Ma Fu-hsiang to help Chang Tso-lin.
2. Chang Tso-lin's request for aeroplanes refused.
3. Fishery Tax dispute.
4. The house tax.

1. MA FU-HSIANG TO HELP CHANG TSO-LIN.

Ma Fu-hsiang, the new Tartar General of Suiyuan, has come to the capital for the purpose of asking the President and the Premier to allow him to take 10,000 picked Mohammedan troops from Kansu to act as vanguards for the Mongolian expedition under the orders of Chang Tso-lin. As Ma is considered one of the Chihli faction, it is anticipated his offer will be politely refused by Chang Tso-lin.

2. CHANG TSO-LIN'S REQUEST FOR AEROPLANES REFUSED.

It is reported that General Tsao Kun has rejected Chang Tso-lin's request to borrow aeroplanes for the Mongolian expedition. It is said the British Legation has protested against the utilisation of the Vicker's machines for military purposes.

3. FISHERY TAX DISPUTE.

A dispute has arisen between the Ministries of Navy, Finance and Agriculture and Commerce over the control of the fishery tax, proposed by the first and approved by the Cabinet.

4. THE HOUSE TAX.

The Ministry of Finance has again brought up the question of the enforcement of the house tax in Peking. It is proposed to entrust the work to the Ministry of Education to show that the proceeds are to be devoted for educational purposes exclusively.

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Date July 18, 1921 Serial No. 426 (Commence new series) File No. 105-100 (Select proper number from O. N. I. index.)

Source of information: Local Chinese and foreign newspapers

Subject: CHINA (Nation reported on.) STATE (Index title as per Index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

MIL. INTEL. DIV. NOV 21 1921 26577-9-204 23 WAR DEPARTMENT

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CHINESE GOVERNMENTAL ACTIVITIES.
1. The Tenth Year Domestic Bonds.
2. Koo will be Chinese delegate at the Pacific Conference.
3. Chen Shu-fan still giving trouble.
4. Peking police for Hunchun.

The Cabinet has passed the scheme to issue the Tenth Year Domestic Bonds with interest of 8% and the bonds will be issued in a few days. Since the assumption of office by the Acting Minister he has succeeded in making the monthly deficit not to exceed $3,000,000.

1. THE TENTH YEAR DOMESTIC BONDS.

As Dr. Yen, the Minister of Foreign Affairs, will not be able to attend the Pacific Conference, Wellington Koo, the Chinese Minister to England, will most probably act as China's representative because of his experience in handling China's problems at the Peace Conference.

2. KOO WILL BE CHINESE DELEGATE AT THE PACIFIC CONFERENCE

General Yen Hsiang-wen, the new Tuchun of Shensi reports by wire that although Chen Shu-fan has declared he will retire, he is still continuing to prepare and the Chihli troops are being ordered to advance in order to break what remainign power Chen has.

3. CHEN SHU-FAN STILL GIVING TROUBLE.

One hundred and seventy-one police officers and men have been sent to Hunchun by the Ministry of Interior. These men were picked from the Metropolitan Police force for police duties at Hunchun in order to give no excuse for the Japanese to complain that the policemen at that place are inefficient and that she must have her own men as the guardian of peace and order for her nationals.

4. PEKING POLICE FOR HUNCHUN.

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OFFICE OF NAVAL INTELLIGENCE, NAVY DEPARTMENT

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(Blank and form number) this number is necessary because of the limited personnel in O. N. I. and because of the urgency for prompt reports. These reports will be numbered by O. N. I. as per instructions attached, and should be quoted in all subsequent reports.

Date July 22, 1930 Serial No. [illegible] (Consecutive serial number, beginning with 1.) File No. [illegible] (Subject file number from O. N. I. index.)

Source of information Local Chinese and foreign Newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CHINESE GOVERNMENTAL ACTIVITIES:

1. Police guards around Legation Quarters withdrawn.
2. The Kiukiang-Nanchang Railway Loan.
3. Tsiningchow as a new port.
4. Kwangsi forces lack ammunition.

2657-2-204

22

Chinese police guards who have been stationed at the entrances to the Legation Quarters were withdrawn on the 16th instant by the Chinese Government in compliance with the request of some members of the Diplomatic Corps. Although police guards were withdrawn, detectives were ordered to replace them and it is considered that it is impossible for the refugees to escape.

1. POLICE GUARDS AROUND LEGATION QUARTERS WITHDRAWN.

The Government has instructed the Kiangsi Provincial Government to pay the interest for the loan from the Japanese Development Company in accordance with the stipulations of the loan agreement. The Company owes the Japanese about 7½ millions and unless it is paid by the end of July next year, the Japanese may take over the administration of the railway.

2. THE KIUKIANG-NANCHANG RAILWAY LOAN.

It is reported that a company has been fully organized to carry out the scheme of opening Tsiningchow as a new port in Shantung and that a sum of $3,000,000 has been raised for initial expenses and the Government will furnish the remaining sum by issuing treasury bonds.

3. TSININGCHOW AS A NEW PORT.

a new port in Shantung

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Date [illegible], 19[illegible] Serial No. [illegible] (Commence new series each January first.) File No. [illegible] (Select proper number from O. N. I. index.)

Information

Subject (Nation reported on.) (Index title as per index sheet.) (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

4. KWANGSI FORCES LACK AMMUNITION.

General Lu Yung-ting wired to the Government that his troops at Peikiang and Tengheien have been forced to retire westward owing to the lack of ammunition. The Kweichow and Hunan troops have been seen at the borders.

-2-

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DIVISION OF NAVAL INTELLIGENCE, NAVY DEPARTMENT

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Serial No. [illegible] (Numbers run [illegible] each January first.) File No. [illegible] (select proper number from O. N. I. index.)

Source of information: Local Chinese and foreign Newspapers.

Subject: CHINA (Nation reported on.) — STATE (Index title as per index sheet.) — POLITICAL CONDITIONS (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CHINESE GOVERNMENTAL ACTIVITIES.
1. New issue of Government Bonds.
2. To study the cotton situation.
3. Imprisonment for opium dealers.
4. Charge of embezzlement against Chang Shou-ling.

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WAR DEPARTMENT

Mr. Pan Fu, the Acting Minister of Finance, has completed plans for the issuance of $50,000,000 Domestic Bonds with the salt surplus, post office and other revenues as security. The Chinese Consortium will lend this amount to the Government for a period of ten years and the interest on this loan is to be satisfactory to both the Government and the bankers.

1. NEW ISSUE OF GOVERNMENT BONDS.

The Ministry of Agriculture and Commerce has sent trained technical representatives into the provinces of Chihli, Shantung, Honan, Kiangsu and Anhwei to study the cotton situation. These men will make reports on present crop conditions, the price farmers are receiving for the cotton and they will try to encourage a wider cultivation of cotton next year.

2. TO STUDY THE COTTON SITUATION.

The Ministry of Justice has circulated a letter to all the magistrates throughout the country informing them that terms of imprisonment ranging from five to twelve years and fines from $1,000 to $3,000 are to be imposed on a person convicted of smuggling, selling or using narcotic drugs.

3. IMPRISONMENT FOR OPIUM DEALERS.

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Date July 16, 19 21 Serial No. 419 (Commence new series each January first.) File No. 105-100 (Select proper number from O. N. I. index.)

Information

Subject (Nation reported on.) (Index title as per index sheet.) (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

NAVAL DEPT OF ARMY
MILITARY DIV
1921
7 NOV

4. CHARGE OF EMBEZZLEMENT AGAINST CHANG SHOU-LING.

Chang Shou-ling has been charged with the embezzlement of a large sum of money appropriated for the payment of interest of the 1st Year Domestic Loan Bonds. Summons were issued against Chief Accountant Feng and Departmental Chief Li but they have fled.

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NAVAL INTELLIGENCE, NAVY DEPARTMENT

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Date July 16, 1921 Serial No. 418 (Commence new series with January first.) File No. 106-100 (Select proper number from O. N. I. index.)

Subject of information Local Chinese and foreign newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CHINESE GOVERNMENTAL ACTIVITIES.
1. Wang Chan-yuan's representative.
2. Li Hou-chi's demand.
3. Premier talks of resigning.
4. More fat jobs.

2657-D-204
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WAR DEPARTMENT

Mr. Yang Wen-kan, Chief of the Department of Military Affairs attached to the Hupeh Tuchun's Yamen, who was sent by Wang Chan-yuan to interview ex-President Li Yuan-hung, states that the following questions have been touched upon: 1. Measures for smoothing the opposition of the Hupeh people towards Wang; 2. Proposals to have the official posts in the province filled by natives; 3. Establishment of a Provincial University for the training of students; 4. Withdrawal of non-Hupeh troops and reduction of taxes.

1. WANG CHAN-YUAN'S REPRESENTATIVE.

General Li Hou-chi, Tuchun of Fukien, is sending Mr. Fei- Yu-kai, of the Provincial Financial Department at Foochow, to Peking with a view to securing $1,000,000 with which General Li promises to organize an expedition against Kwangtung. This is regarded as a confirmation of Lu Yung-ting's successes.

2. LI HOU-CHI'S DEMAND.

Premier Chin Yun-peng, in an audience with the President, tendered his resignation verbally owing to the financial situation and the of the Tutung of Jehol. The President urged him to remain but Chin is reported to have said finally that he would resign if the Parliamentary Election proves a failure.

3. PREMIER TALKS OF RESIGNING.

The important members of the Ministry called a meeting to discuss the question of the improvement of tax receipts. It was decided to establish an Inspectorate in the Ministry to supervise the collection of taxes and the Acting Minister will act as Chief Inspector who will appoint Inspectors to the provinces.

4. MORE FAT JOBS.

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Z. Date July 24, 1925 Serial No. 417 (Commence new series each year) File No. 26-3-03 (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CHINESE GOVERNMENTAL ACTIVITIES.
1. Settlement of school strike.
2. Tuchun Yen's recommendations.
3. Troubles of Chekiang Tuchun.
4. Obata's guests.

26-3-3-204

It is anticipated that the strike of the eight National Higher Schools will be formally ended before noon today. It is stated that the Government will deposit with the Ministry of Education bonds to the value of $2,000,000 based on the security of the salt income for the thirteenth and fourteenth years of the Republic (1924 and 1925. The Government will issue a "reconciliation statement" for the attack on the teachers and students at Hsin Hua Men on June 3.

1. SETTLEMENT OF SCHOOL STRIKE.

Tuchun Yen of Shensi has recommended the appointment of General Feng Yu-hsiang as Military Commissioner in Southern Shensi and of General Wu Hsin-tien in Northern Shensi. He also suggests that Civil Governor Liu Chen-hua should be given the 2nd Class Wen-hu Decoration.

2. TUCHUN YEN'S RECOMMENDATIONS.

The Constitution Drafting Commission proposes to reduce a considerable number of troops while Tuchun Lu Yung-hsiang desires to maintain them so as to insure his position as Civil Governor. The Commission insists on leaving the matter of appointing officials to popular vote.

3. TROUBLES OF CHEKIANG TUCHUN.

As the Government intends to remove the guards from the gates of the Legation Quarter, the Japanese Legation was asked to be responsible that the Anfuites now taking refuge in the Legation should not escape. The Japanese Legation declined to accept any responsibility.

4. OBATA'S GUESTS.

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Date July 13, 1931 Serial No. 413 (Commence new series each January first.) File No. 166-160 (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subject)

Reference

OFFICE CHIEF OF MIL. INTEL. DIV.

WAR DEPARTMENT

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CHINESE GOVERNMENTAL ACTIVITIES.

1. Japanese interference in Manchuria.
2. Progress of the Kwangtung-Kwangsi fight.
3. Chang Hsun wants his share.
4. Propaganda in Mongolia.

Tuchun Sun Lieh-chen of Kirin wired to the Government stating that the Japanese "Co-operative Agents" are interfering with civil as well as criminal cases of the peasants, merchants and common people. In some cases the persons involved have been sent to the Japanese police stations and judicial courts for trial, where they are forced to pay litigation fees which will be used as subsidy to the Japanese police and soldiery.

1. JAPANESE INTERFERENCE IN MANCHURIA.

It is reported from Pakhoi that the districts of Yamchow and Limchow have fallen into the hands of the Kwangsi troops. The occupation of these districts will open the way to the sea and thus Kwangsi will receive supplies and help from the Central Government. It is also stated that over 10,000 Cantonese have surrendered, deserted or dispersed.

2. PROGRESS OF THE KWANGTUNG-KWANGSI FIGHT.

General Chang Hsun has asked the Government for $5,000,000 to establish a bank in Inner Mongolia. If the Government consents to his request he will immediately assume the post of Director General of the Forestry and Land Reclamation in Jehol.

3. CHANG HSUN WANTS HIS SHARE.

The Bureau for Mongolian and Tibetan Affairs has printed a great number of pamphlets in the Mongolian language. These pamphlets explain to the Mongolian object of the Expedition and will be distributed among the tribes by the Expeditionary forces.

4. PROGAGANDA IN MONGOLIA.

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Date July 12, 1921 Serial No. 438 (Commence new series each January first.) File No. [illegible]-100 (Select proper number from O. N. I. Index.)

Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
1921 NOV 17
WAR DEPARTMENT

2657-L-204

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CHINESE GOVERNMENTAL ACTIVITIES.
1. Chekiang's new constitution.
2. Payment of interest on Nanchang-Kiukiang loan.
3. Commercial Attaché to the United States.
4. Revision of treaty with Dutch.

1. CHEKIANG'S NEW CONSTITUTION.

The Members of the Committee in charge of the drawing up of the Provincial Constitution for Chekiang have announced the completion of the draft constitution. The aim of the constitution is to open the way for the establishment of a confederacy of the provinces in order to form a strong Federal Government.

2. PAYMENT OF INTEREST ON NANCHANG-KIUKIANG LOAN

Mr. Li Shan-to, the Director of the Nanchang-Kiukiang Railway, has succeeded in raising the necessary funds to pay up the interest for loans made by Japanese sources for the past six months. Half of the amount, $100,000, was raised from private sources and the other half was obtained from the Company's reserve funds.

3. COMMERCIAL ATTACHE TO THE U.S.

Mr. Li Tse-cheng has been appointed by the Government as Commercial Attache to the Legation in Washington. The Attachés to other Legations will be announced later.

4. REVISION OF TREATY WITH DUTCH

Owing to the repeated appeal of the Chinese residing in the Dutch colonies of the East Indies, the Government considers that a revision of the Sino-Dutch treaty is necessary. A wire received from The Hague reports the willingness of the Dutch Government to revise the treaty.

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Date Sept. 15, 1921 Serial No. 539 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Chinese resident in Canton.

Subject CHINA: CANTON (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CONDITIONS IN CANTON - September 5, 1921.
1. British and Japanese placating the Canton Government. 2. Cassel Contract. 3. Japanese-Cantonese relations. 4. Military situation in Kwangtung and Kwangsi. 5. Canton Government denounces Wu Pei-fu. 6. Financial situation in the Liangkwang. 7. Municipal election in Canton on September. 8. Labor trouble in Canton.

The British and the Japanese interests in Canton, realizing the disadvantage of having Cantonese popular opinion against them, are doing their best to overcome the present situation. The Hongkong authorities are discouraging further use of that port as a base of supplies and centre of intrigue of the pro-Peking Party against Canton by urging the political opponents of the Constitutionalist Government to be less active and open in their operations there. The Hongkong Government is avoiding the necessity of officially deciding the question of whether the Canton Government is constitutional or otherwise, while in its dealings with the Canton Government it is treating the local authorities as de facto. The Hongkong & Shanghai Banking Corporation is now facilitating the Canton Government to little extent through its supply of bar silver to the Canton Mint, the Director of which is Mr. Chan Lim-chung, a brother of Mr. Chan Lim-pak, compradore of the Shameen branch of this institution.

1. BRITISH AND JAPANESE PLACATING THE CANTON GOVERNMENT

The British consular authorities recently informed the correspondent that the British authorities are not forcing the Canton Government to reconsider the much-talked-of Cassel Coal Agreement, although they very much wish that some modifications may be made so as to bring about a final approval. In spite of the Kuomintang opposition, some Chinese merchants are urging Major Cassel to again push the matter, as they believe the syndicate will eventually benefit Kwangtung. So far the Canton

2. CASSEL CONTRACT.

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Date Sept. 15, 21, 19 Serial No. 539 File No. 103-100

(Commence new series each January first.) (Select proper number from O. N. I. index.)

Source of information

Subject

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Reference

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Government has opened no formal negotiations regarding the agreement.

The Japanese firms which have made heavy loans to the Canton Government in recent years when the Kwangsi militarist administration was in charge of Kwangtung affairs are not pushing the present administration hard for settlement as they used to. The Cantonese, however, have renewed their agitation of "Boycotting" Japanese goods. The sudden advance of price of yarn from Japan has been attributed to political reasons by some, while many doubt it.

3. JAPANESE-CANTONESE RELATIONS.

Compradores of Japanese firms have been active recently in outwardly supporting the policy of Sun Yat-sen by contributing liberally towards the movements and backing the Constitutional Government.

The Canton Government is now busy preparing for an expedition against the North by way of Hankow. General Chen Chiung-ming, who was to have returned to Canton this week, will probably have to leave immediately the Kwangsi Province in order to command the Kwangtung-Kwangsi forces to enter Hunan in order to check further advance of Wu Pei-fu with his Chihli army. General Chen is now holding an important military council in Nanning, Kwangsi, Sun Yat-sen participating through his personal representatives, ex-Governor General of Kwangtung, and Mr. Wang Ching-wei, the noted Chinese scholar and president of the Kwangtung Provincial Educational Association.

4. MILITARY SITUATION IN KWANGTUNG AND KWANGSI

The remnants of Lu Yung-ting's army, now in Lungchow, having agreed to surrender and be disarmed, have failed to do so, but at the same time, not openly hostile, thus still providing anxiety for the Cantonese

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army. The success of the Chihli army in certain section of Hunan is encouraging the Kwangsi soldiers now stranded in Lungchow defiant, thus making full withdrawal of Cantonese troops from Kwangsi impossible and reducing the strength of the coming expedition against the North, unless more troops are recruited by the Canton Government.

In a recent dinner, Dr. Wu Ting-fang, minister of Foreign Affairs and Finance of the Constitutionalist Government, denounced Wu Pei-fu as a man without principle saying that two years ago Wu Pei-fu received some $400,000 from the Southern Government and now he turned against the South.

5. CANTON GOVERNMENT DENOUNCES WU PEI-FU.

The lack of subsidiary silver in Kwangsi and the empty treasury of the Kwangsi Government is giving trouble to both the citizens and officials of that province. The market does not have confidence in the Kwangsi paper money, although the Cantonese army authorities have indicated their willingness to accept same as legal tender at 50% of their face value. The paper money in Kwangsi is being accepted at 20% of the face value only nowadays and refused altogether in inner districts where government control only exists in name. The Cantonese are unable to assist the Kwangsi-ites with funds, as they are in difficulty themselves. In fact, the Canton Government may soon have similar problem facing it, as the Provincial Bank of Kwangtung is being constantly pressed by the officials for loans, and the resources may be so low as to be unable to redeem its

6. FINANCIAL SITUATION IN THE LIANGKWANG.

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paper money when suddenly called upon by the changing public to do so. The Kwangtung paper money, however, is being accepted with premium in Kwangsi. To assist the Constitutional Government, a committee of overseas Chinese will attempt to raise funds abroad, especially in the Straits Settlements and America.

7. MUNICIPAL ELECTION IN CANTON ON SEPTEMBER.

Very little enthusiasm was shown at the Municipal Election of September 1 for Advisory Councilmen, as the more intelligent citizens did not care to run, realising that it was intended more for educational purpose than for real representation of public sentiment. The public at large is called upon to elect ten of the thirty members of the Advisory Council which possesses no legislative power, except through indirect means, the withholding of consent to general increase in taxation and the approval of budget involving acts the people do no favor. The other twenty members will be elected by the Civil Governor, who will appoint ten official members, by the General Chamber of Commerce of Canton, and the Labor Federation, which each appoints three, and by the Bar Association, the Educational Association, the Engineering Society, and the Medical Association which appoint one member each. The feature deserving attention is that a large number of workmen turned out, capturing many seats for the members at large. A woman, Madam Tang Wai-fong, was elected a member of the Council.

8. LABOR TROUBLE IN CANTON

There is not a day in Canton nowadays without some sort of labor strike. The public, or consumers, will soon have something to say. The

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restaurants, especially the tea-houses, have raised their food price 33 1/3 per cent while their advance of wages to their employees only amounted to an average of about 20%. The cost of raw materials has not risen so rapidly and so high, and the public is not pleased with the increase at such a rate, while realizing the increase in wages does justify some advance in food price, but not to such an extent.

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Source of information Chinese resident in Canton.

Subject CHINA; CANTON (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

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OFFICE CHIEF OF STAFF 1921 2657-J-2 WAR DEPARTMENT

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CONDITIONS IN CANTON - August 28, 1921.
1. Canton expects impartial opinion from American Minister. 2. No loss to Taiwan Bank due to Kwangsi-ites' downfall. 3. The Cassel Agreement. 4. No representation from Canton to Washington Conference. 5. Canton's part in the Hupeh-Hunan trouble. 6. Affairs in Kwangsi. 7. Financial question in Canton.

That Dr. J. G. Schurman, the new American Minister to Peking, is persona non grata to the Canton leaders does not appear to be true.

1. CANTON EXPECTS IMPARTIAL OPINION FROM AMERICAN MINISTER

In fact, the Canton leaders trust that Dr. Schurman will examine into the legality of the present governments in China and the merits of both in order to express a fair opinion and make a report for the information of the United States Government.

2. NO LOSS TO TAIWAN BANK DUE TO KWANGSI-ITES' DOWNFALL.

The Taiwan Bank, a Japanese institution in Canton, which has advanced a considerable sum of money to the Kwangsi militarists, is not being affected by the downfall of the Lu Yung-ting clique in Nanning as generally feared. The Kwangsi officials, while in Canton, have made heavy deposits in this bank and what has been lent to the former administration in Canton then under the Kwangsi military clique was really native resources.

3. THE CASSEL AGREEMENT.

Moreover, the present Canton Government is assuming all reliabilities contracted by the previous administration, except the now notorious "Cassel Agreement" relative to coal concessions in Kwangtung. Referring to this concession, the Ministry of Foreign Affairs at Canton will state:

"With reference to the replies made by the British Under Secretary for Foreign Affairs recently in the House of Commons concerning the agreement signed by Major Cassel with the Kwangsi militarists, those who have perused the agreement, which is now public property, are in a position to form an opinion as to the

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merits of the case. But the Under Secretary interjects a remark which demands notice. He says that Peking has owing to certain difficulties referred the agreement back for further discussion of the points in detail with the Canton authorities. The Foreign Ministry has two observations to make regarding this statement. T The reason why this Government has not recognised the agreement in question concerns a matter of principle, monopoly and illegality so that no amount of discussion of details will be of any profit. Secondly the Republican Government having its seat at Canton being the legitimate Government of the country, obviously holds no intercourse with the authorities at Peking who also realise the situation sufficiently to have never attempted to refer it any matters for action or discussion."

It has been practically decided that the Canton Government will not despatch a delegation to the Pacific Conference at Washington, unless the delegation sent will be able to participate officially in the proceedings. The Foreign Ministry is preparing for a statement to the Powers concerned denying the authority of Peking to commission a delegation and declaring that whatever may be agreed upon by the Peking Delegation on behalf of China will not be recognised by the Canton Government, which claims to be the legal government of the Republic. If Canton sends a delegation at all, it will be composed of such men as Dr. Wu Ting-fang and Mr. Tang Shao-yi, ex-Premiers of the Republic, supported by Mr. C. C. Wu, son of Dr. Wu and Vice Minister of the Foreign Ministry; Mr. Eugene Chen, former editor of the Peking Gazette and the Shanghai Gazette; Mr. Quo Tai-chi, of Hupeh, a former private Secretary to ex-President Li Yuan-hung, and others.

4. NO REPRESENTATION FROM CANTON TO WASHINGTON CONFERENCE

General Li Lieh-chun, former Governor-General of Kiangsi, now bearing the title of Chief of Staff of the Constitutional Government

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in Canton, now commanding a small army of Yunnan, Kiangsi and Kwangtung troops, has been instructed to proceed to Hupeh by way of Hunan from Kweilin, Kwangsi, to oppose further advance of Wu Pei-fu. Except doing this, no formal order has been issued regarding the Cantonese expedition against the North. The large number of Kuomintang, or Nationalist Party, politicians and military officers having gone to Hankow and Changsha have acted in their own accord and with good-will from Canton only.

5. CANTON'S PART IN THE HUPEH-HUNAN TROUBLE.

Every effort is being made to encourage the people of Hupeh to hold their province against the domination of the government there by Chihli militarists and Chinputang, or Progressive Party, controlled by Hsiung Hsi-ling with Li Yuan-hung as the figurehead. The policy of Sun Yat-sen, to reunite China through the overthrowing of Peking, with Canton as the basis, is not receiving full support from Chao Heng-ti of Hunan and others who are advocating the calling of a national convention to adopt a fresh constitution for the Republic and the provinces regardless to the claim of either Canton or Peking. Sun now has to effectively control Chao of Hunan before being able to proceed further. While Chao will be glad to get support from Sun in his struggle with the Chihli clique at present, Sun Yat-sen is not at all sure that Chao will come into his command as soon as Chao is successful.

General Chen Chiung-ming, Governor of Kwangtung, who has successfully led the Cantonese expedition against the Kwangsi militarists under

6. AFFAIRS IN KWANGSI.

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Lu Tung-ting, who is now a fugitive in Annam, will be back in Canton within the next two weeks, it is hoped. The Cantonese will allow the Kwangsi-ites themselves to solve their own problems under their new leaders. Dr. Ma Chun-wu, the Governor of Kwangsi, has made a good start by ordering the suppression of gambling. He has also called into session the Provincial Assembly of Kwangsi so as to formulate a programme of reconstruction with the advice and consent of the representatives of the people.

The trade in Kwangsi is being disorganized by the depreciation of government banknotes issued by the previous administration without security. The value has fallen to 20 per cent of the fact value in many places.

There will soon be some interesting changes in the Canton political situation. The Cantonese are conscious of their influence and beginning to question the fairness of requiring them alone to bear the expenses of maintaining the old Parliament and the Chinese Navy now in Canton. The M.P.s take $76,000 and the Navy some $160,00 every month from them, while their school teachers had to go from three to six months without their salary. Many district assemblies will come into sessions next months, and when the subject of local taxation comes up, many will refer to the present budget of the provincial government. The ships of the Navy and the men have been idle in Canton since 1916, and some doubt that they will be of any more use as a fighting organization physically and morally, as many vessels have not gone into dock once since their stationing in Canton waters.

7. FINANCIAL QUESTION IN CANTON.

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CONDITIONS IN CANTON - August 18, 1921.
1. Canton considers Peking Government unstable. 2. Canton and the Pacific Conference. 3. Selfgovernment in Kwangtung. 4. More squeeze for Kuomintang members in Kwangsi. 5. Sun Yat-sen's dream. 6. Cantonese army holds supreme power in Kwangsi.

In talking to a member of the Foreign Ministry in Canton, the correspondent was informed that the Constitutionalist Government in Canton has advised the American Government that the Peking Government does not represent the Chinese nation, it being practically the organ of Chang Tso-lin, the Military Governor of Manchuria, who is strongly pro-Japanese and a monarchist. Some months ago Chang sounded Tokyo regard Japanese support in the Manchu restoration. Information reaching Canton reports that the Peking Government is unstable, and this is corroborated by articles from the British Press, the "North China Daily News" in particular, regarding the withdrawal of the international recognition of Peking. The Canton Government further added that the Canton Government has increased in power since the recent defeat of Lu Yung-ting, the last Peking militarist in South China, and emerged out of the present development of the Chinese situation as a government whose authority is recognized by the South-west, including some of the richest and most important Chinese provinces. In view of the general situation in China, no Chinese delegation to the Pacific Conference at Washington can receive national approval without the inclusion of Canton delegates.

1. CANTON CONSIDERS PEKING GOVERNMENT UNSTABLE

Regarding the appointment of C. T. Wang as a delegate, the Canton Government has stated that Wang would be the least acceptable to the "South" as a representative of this country at the

2. CANTON AND THE PACIFIC CONFERENCE.

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Conference even if the Peking junto had the national authority, which it does not possess, to appoint a delegation. Wang has been accused of having betrayed a good cause and attempted to exploit his former association with the South in the interests of his pushing person and his Peking patrons.

The Constitutionalist Government at Canton, unless its delegation is officially recognised, will probably not send one to the Pacific Conference on Disarmaments and Far Eastern Questions to be held in Washington next November 11, and the South will not accept any responsibility for the execution of any policy agreed upon by the Peking representatives on behalf of China.

Mr. Hsu Chien, Chief Justice of the Supreme Court of the Constitutionalist Government and a former Vice Minister of Justice in Peking, believes that the coming Pacific Conference will be so dominated by Great Britain, Japan and other so-called Great Powers like the Peace Conference in Paris 1919 that China will be unable even to express a protest against what has been decided against her interest. Judge Hsu would propose for a league of republics in order to rally in opposition to imperialism and militarism as promoted by Japan and her ally.

Dr. Wu Ting-fang, whose attention has been called to a recent statement made by Dr. W.W. Yen, the Peking Foreign Minister, in which he declared that China would seek, at the Pacific Conference, "to have worked out the general principles which can be applied in solving individual problems wherever they may arise in the future

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developments on the Pacific. Dr. Wu observed that further definition of general principles regarding China would hardly add to the definiteness and clarity of the principles of the independence and integrity of China and the doctrine of the open door which have been affirmed and re-affirmed in the series of Conventions entered into by Japan with Great Britain, France, Russia, and the United States. The difficulty, according to Dr. Wu, has hitherto lain in the application of these well-defined general principles to "individual problems" like the Shantung and allied and greater question of the Twenty-one Demands. If Dr. Yen means that these two concrete and urgent issues are to be excluded from the program of discussion in Washington, which is the view now being pressed by Japan, Dr. Wu Ting-fang is prepared to hazard the opinion that, whatever else the Conference may achieve, China will stand precisely where he does today. Dr. Wu believes that the Covenant of the League of Nations applies to China and elsewhere in the Pacific region, if more general principles are desired.

The South will not approve of Dr. Wellington V. K. Koo as a delegate to the Conference, as Koo has failed to press for the abrogation of the Twenty-one Demands as desired by the Canton leaders. Koo's recommendation of having the Shantung problem solved through direct negotiation with Japan does not please the Southern government.

Neither Dr. Wu Ting-fang nor Sun Yat-sen has expressed a desire to attend the Pacific Conference, although they have been mentioned by certain Members of Parliament in Canton. The name of Mr. Tang Shao-yi, an ex-Premier of the Republic, has also been suggested, but so far he has expressed no opinion on the subject. Some Members of Parliament

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are opposed to his appointment on the ground of his being too close to Dr. Koo, his son-in-law.

Up to the middle of August, Mr. Ma Su, Sun Yat-sen's personal representative at Washington, who has been instructed by the Canton Foreign Office to procure official representation for the South in the coming Pacific Conference, has not yet reported on the subject.

Mr. C.C. Wu, who led the Southern Delegation to Paris at the time of the Peace Conference, will be the most probable person to go to Washington for the South, if the Constitutionalist Government decides to and can be represented at Washington.

The South will demand for the publication and abrogation of all secret treaties entered into by Peking with other governments giving special rights and privileges contrary to the open door policy and against the interest of the Chinese Republic.

Canton is preparing to undertake great things regardless of what others may think of it. Politically, the Kuomintang, or the Nationalist Party, with Sun Yat-sen as the leader, has

3. SELF-GOVERNMENT IN KWANGTUNG.

captured the control of the districts through its recent success in the election which took place August 1, when all the district assemblymen candidates of the Party were seated. Most of the Kuomintang candidates for district magistrates will be confirmed by the Civil Governor, it is believed. This was the first attempt in Kwangtung to undertake self-government by having its district chief executives and assemblymen chosen by the people. The number of voters and enthusiasm

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Date Sept. 1, 1921 Serial No. 517 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information

Subject (Nation reported on.) (Index title as per index sheet.) (Subtitle.)

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shown were not so encouraging as they should be, but general opinion agrees that it has gone well for the first election and when party spirits and knowledge of the significance of the act were not fully realized. The students of political science here are watching the election and its forthcoming results in better government with great deal of interest, as Kwangtung is the first province in the Republic of China to demand for and that is able to carry out her scheme of provincial autonomy in the first stage.

The chief executive of a district will no longer possess judicial power, and separate courts are being organized to administer justice. The courts are given power to adjudge election disputes, and thus one department of government is able to check another. The demand of women to vote in the districts was not opposed, and one Miss Wong Pei-wun captured a seat in the district assembly of Heungshan.

The gradual assumption of Kuomintang power in Kwangsi will provide many new posts for the party followers, and the coming Conference of the leaders for the expedition to Peking by way of Hankow will require the service of many military men. The frequent appearance of seaplanes and other flying machines over the cities of South China has not only given the aviators new vision of the country but also put many young men and young women to thinking of bigger, higher and far-sighted matters.

4. MORE SQUEEZE FOR KUOMINTANG MEMBERS IN KWANGSI.

Overseas Chinese in America and the Straits especially have assured Sun Yat-sen of financial support in his coming campaign against Peking.

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and the National Assembly in extraordinary session in Canton will formally request the government to declare war against Hsu Shih-chang. Some are so confident here that they believe Hsu Shih-chang and the Peking Government will be ousted before the next Republican Anniversary, October 10th.

5. SUN YAT-SEN'S DREAM.

The Cantonese army now has no further opposition in Kwangsi, as the remnants of Lu Yung-ting's army in Nanning have withdrawn their opposition against their being disarmed. The Cantonese power in Nanning, the capital of Kwangsi, will hold supreme until the arrival of Mr. Ma Chun-wu, the Civil Governor designate, who is expected there soon.

6. CANTONESE ARMY HOLDS SUPREME POWER IN KWANGSI

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Date Sept. 12, 1921 Serial No. 850 File No. 100-100

(Commence new series each January first.) (Select proper number from O. N. I. index.)

Source of information Agent

Subject CHINA; MUKDEN STATE POLITICAL CONDITIONS

(Nation reported on.) (Index title as per index sheet.) (Subtitle.)

Reference

OFFICE CHIEF OF STAFF MIL. INTEL. DIV. NOV 13 1921 NAVY DEPARTMENT

26577-J-204

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CONDITIONS IN MUKDEN - September 6, 1921.
1. Russian officers to be shot by Chinese.
2. Chang Tso-lin consolidating his position.
3. German activities.
4. South Manchuria Railway's policy in Manchuria.

You doubtless heard the rumor that sixteen Russian officers were being brought to Mukden to be shot. The Japanese and British Consuls in Harbin were greatly excited about it and the British Consul here took the matter up with the local Chinese officials. Pontius telegraphed to the Legation and was told, I understand, to go slow on this business and not to intervene. It now transpires that the whole report was greatly exaggerated and that no officers were being brought here to be shot. Only two or three Russians were escorted to Mukden for the purpose of being tried by the Chinese Court in connection with a smuggling case or something of this sort.

1. RUSSIAN OFFICERS TO BE SHOT BY CHINESE.

The Governor here is taking things quietly but is doing all that he can to consolidate his position and to prepare for any contingency. His present attitude seems more defensive than offensive and his object seems more or less to maintain the status quo.

2. CHANG TSO-LIN CONSOLIDATING HIS POSITION.

The Germans are becoming increasingly active and are getting a lot of business. They are offering the lost liberal credit terms and fairly quick deliveries. It is stated that a German Consul will soon be stationed here and Dr. Siebert, who was formerly Vice Consul here, is mentioned for the position.

3. GERMAN ACTIVITIES.

The President and the new Director of the South Manchuria Railway, Mr. Matsuoka, have been touring Manchuria making pleasant speeches and assuring everyone of an equal

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opportunity. While their policy seems to be more liberal than the one pursued by their predecessors, I presume that "Japanese Special Interests" will, as ever, receive first consideration.

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Date September 1, 1921 Serial No. 386 (Commence with January first.) File No. 26-1-20 (Enter present number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

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CHINESE GOVERNMENTAL ACTIVITIES.
1. Changsha captured by Kiangsi troops.
2. Ambitious Canton.
3. Another Bankers' Conference.

1921 2657-2-24
2
WAR DEPARTMENT

Following the announcement that General Wu Pei-fu will not advance towards Changsha after the capture of Yochow, another column of Kiangsi troops under the command of General Hsiao An-ko attacked and captured Changsha by way of Pinghsiang and Liling. Tuchun Chao Heng-ti of Hunan fled before the fall of Changsha and Hsiao An-ko has wired to Wu Pei-fu, asking him to proceed to Changsha.

1. CHANGSHA CAPTURED BY KIANGSI TROOPS.

The Canton Parliament has decided to issue a mandate declaring a punitive expedition against Peking. It is further decided that the members themselves will undertake to send representatives to their respective home provinces for the purpose of enlightening them as to the object of the Southern cause with a view of eventually winning them over to Canton.

2. AMBITIOUS CANTON.

The Chinese bankers have decided to hold a conference in Tientsin to discuss various questions relating to financial, the economical reconstruction of China, the economical problems to be submitted to the Conference and the election of a delegate to accompany the Chinese delegation to the Pacific Conference.

3. ANOTHER BANKERS' CONFERENCE.

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Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

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CHINESE GOVERNMENTAL ACTIVITIES.
1. A warning to the Government.
2. The situation at Ichang.
3. Trouble brewing in Shensi.

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
NOV 12
12257-J-284
12
WAR DEPARTMENT

After a joint meeting on the 9th instant, the various bodies in Tientsin sent a telegram to the Ministry of Foreign Affairs, pointing out the vital bearing of the coming Conference upon China and advising the Ministry not to enter into negotiations with Japan on the Shantung Question, which is, according to the opinion of these bodies, a proper problem for the Conference to settle.

1. A WARNING TO THE GOVERNMENT.

A telegram from Shasi reports that Wu Pei-fu is rushing troops to Ichang from all points along the Yangtsze, from Hupeh and even from Yochow. Sun Yat-sen is strongly advocating an expedition to the north but the scheme is opposed by General Chen Chiung-ming who is unwilling to withdraw any of his troops from Kwangsi in view of the unsettled conditions in that province.

2. THE SITUATION AT ICHANG.

As a result of the execution of Kuo Chien, the notorious bandit, his followers are assembling at Fenghsien and have elected Kuo Chien's son, Kuo Ho, as the Commander-in-chief of the bandit forces. The 7th Division and the 4th and 5th yings have been sent out by Tuchun Feng Yu-hsiang to disperse them. As ex-Tuchun Chen Shu-fan is also contemplating to regain the Tuchunship by the capture of Sian, General Tsao Kun and General Wu Pei-fu have agreed to send the 23rd Division to Shensi to help Tuchun Feng.

3. TROUBLE BREWING IN SHENSI.

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Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

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OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
NOV 12 1923
26 57-9-204
WAR DEPARTMENT

CHINESE GOVERNMENTAL ACTIVITIES.
1. Chekiang to join other provinces in autonomous movement.
2. Renewed fighting at Yochow.
3. A few suggestions.

Lu Yung-hsiang, the Tuchun of Chekiang province, in view of the encouragement given by other provinces to his autonomy proposal some months ago, has decided to send another circular telegram to the provinces of Chihli, Shantung, Kiangsu, Kwangsi, Kwangtung, Anhwei and Fukien suggesting that a conference be held at Hangchow for the purpose of discussing matters of the provinces. Yunnan, Szechuan and Kweichow have wired to Lu Yung-hsiang urging him to join them in breaking away from the Peking Government and setting up their own system of administration on an autonomous basis.

1. CHEKIANG TO JOIN OTHER PROVINCES IN AUTONOMOUS MOVEMENT.

It is reported that General Wu Pei-fu has about twenty thousand soldiers in Ichang and that fighting has been renewed in the vicinity of Yochow. General Chen Kwang-yuan reports that Commander Hsiao Ku-kuo and others have retaken Chuangling and other places around Yochow.

2. RENEWED FIGHTING AT YOCHOW.

A certain foreign advisor has suggested to the Government that China ought to announce the following matters at the coming conference in order to avoid the demands of the World Powers: 1. Plans for re-unification; 2. The budget of the internal and foreign loans; 3. A statement of the number and equipment of the military and naval forces in China.

3. A FEW SUGGESTIONS.

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Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Title.)

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CHINESE GOVERNMENTAL ACTIVITIES.
1. The Shantung question.
2. Chang Tso-lin will visit Peking after Festival.
3. Szechuanese forces driven back 40 li.

At yesterday's Cabinet meeting, Dr. Yen, the Minister of Foreign Affairs, brought up the question of Mr. Obata's memorandum re direct negotiations in regard to Shantung. He pointed out to the members of the Cabinet the nation-wide opposition of the Chinese people to direct negotiations and the impossibility of the Government to accept the overtures of the Japanese government. He proposed that all the notes exchanged between China and Japan re Shantung be published for the information of the people and this proposal was passed.

1. THE SHANTUNG QUESTION.

Chang Tso-lin has wired the Government stating that he intends to visit the Capital after the Festival. The Government has asked Chang to send representative to Peking to discuss the various questions instead of coming personally. Chang telegraphically replied that it is impossible for a representative to settle all the impending questions and that he must discuss them personally with the authorities.

2. CHANG TSO-LIN WILL VISIT PEKING AFTER FESTIVAL.

It is reported that the efforts of the British and Japanese consuls to bring about a compromise between the Szechuanese and the northern troops have failed; the Szechuanese having expressed their determination to fight to the bitter end. The northern troops have driven the Szechuanese back 40 li to the northeast of Ichang.

3. SZECHUANESE FORCES DRIVEN BACK 40 LI.

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CHINESE GOVERNMENTAL ACTIVITIES.
1. Armistice broken by Szechuanese.
2. Hsu Shu-cheng given notice to quit Shanghai.
3. The question of direct negotiation re Shantung.

2657-9-200

WAR DEPARTMENT

It is reported from Hankow that the Szechuanese have not observed the armistice and that they attacked Ichang from three sides. It is estimated that thousands of the combatants were killed on both sides and Tuchun Hsiao Yao-nan has sent heavy reinforcements to Ichang and at the same time urging Wu Pei-fu to take charge of operations. The outlook along the Yangtsze provinces is becoming a menace, with Szechuan coming to the fore after Hunan has been subdued and it is possible that a three province alliance will be formed to be composed of Szechuan, Kweichow and Yunnan.

1. ARMISTICE BROKEN BY SZECHUANESE.

The Secretary of the Shanghai Municipality has sent a letter to Hsu Shu-cheng (Little Hsu), informing him that continued residence in the foreign settlement would render him liable to immediate arrest.

2. HSU SHU-CHENG GIVEN NOTICE TO QUIT SHANGHAI.

Mr. Obata has handed to the Chinese Foreign Minister a memorandum in connection with Japan's views on the advisibility of conducting direct negotiations in regard to the Shantung Question. Dr. Yen has informed Mr. Obata that he could not make a reply to the memorandum until he has discussed its details with his colleagues in the Cabinet. It is expected that the text of Mr. Obata's memorandum will be published in a few days.

3. THE QUESTION OF DIRECT NEGOTIATION RE SHANTUNG.

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Source of information Local Chinese and foreign newspapers

Subject CHINA (Nation reported on.) STATE POLITICAL CONDITIONS (Index title as per index sheet.) (Subtitle.)

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CHINESE GOVERNMENTAL ACTIVITIES.

1. The autonomous movement.
2. Suggestions for disarmament.
3. In search of a Minister of Education.

DEPARTMENT OF STATE
MIL. INTEL. DIV.
NOV 1921
2657-D-294
WAR DEPARTMENT

The Government, in view of the numerous telegrams from the provinces demanding provincial autonomy, has sent a circular telegram to the three Super-Tuchuns asking them to help in solving the many questions in case it should grant the peoples' demand. The Government is going to see the self-government program through and lays stress on the point that the powers and privileges of the provinces and the Central Government should not overlap.

1. THE AUTONOMOUS MOVEMENT.

General Wu Pei-fu has made the following suggestions to the Government for disarmament: 1. That an army of three divisions should be reorganized from the Chihli forces; 2. These divisions will serve as the model army after the disbandment of all other superfluous troops; 3. Disarmament should begin with Hunan and then Hupeh and the disbanded soldiers should be utilized for public construction works; 4. Compulsory conscription should be introduced; 5. China's military forces should be limited to 50 division.

2. SUGGESTIONS FOR DISARMAMENT

As Ma Lin-yi, acting Minister of Education, will be transferred to Kansu as Civil Governor, the Government is looking out for a man to replace him. It is considered that Yuan Shih-tao and Fu Tseng-hsiang, two ex-ministers of Education, are the most hopeful.

3. IN SEARCH OF A MINISTER OF EDUCATION.

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Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

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CHINESE GOVERNMENTAL ACTIVITIES.
1. The Lushan Conference.
2. Canton attempts to gain recognition.
3. The situation in Urga.

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
NOV 1921
27657-J-204
WAR DEPARTMENT

General Wu Pei-fu denies that the invitation for a conference at Lushan has been issued with his knowledge and consent and that it was sent out by General Chang Shou-tseng, Commander of the 20th Division who is acting as Wu Pei-fu's advisor. General Wu considers this is not the time to call a conference but at some future time he may do so.

1. THE LUSHAN CONFERENCE.

The Kuomintang hot-heads in Canton have sent out another circular letter to all the Legations and the various public bodies, declaring in the event of the establishment of a third government in the Yangtsze it will be illegal and will be in the same status as the Peking Government and that the only legal government is the Canton Government.

2. CANTON ATTEMPTS TO GAIN RECOGNITION.

The Mongols, since their invitation to the Chita troops to drive out Baron Ungern from Urga, are working hand in hand with these troops who do not interfere with the administration of civil affairs. The Chinese troops are separated from the Mongolian-Russian forces by a stretch of sandy plain between Pangkiang and Udde. It is feared that there will be food shortage in Urga and that foodstuffs will have to be transported through Siberian territory.

3. THE SITUATION IN URGA.

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K. Date Sept. 6, 1921 Serial No. 525 (Commence new series each January first.) File No. 105-100 (Select proper number from O. N. I. Index.)

Source of information Local Chinese and foreign newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

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NOTE 2657-J-284

CHINESE GOVERNMENTAL ACTIVITIES.
1. Japanese police box in Amoy.
2. Insufficient funds to meet obligations before festival.
3. Szechuanese take part in the Kunan-Hupeh war.

In spite of the statement of the Japanese Government that the police will be withdrawn from Amoy, no attempt has been made towards their withdrawal. The Japanese have advanced some new pretexts setting forth the reasons why the Japanese police cannot be withdrawn. It is contended that the Japanese subjects at Amoy were originally under the protection of their consulate but since the Foochow incident the consulate has been too busy with other duties to look after them. Hence the establishment of a Japanese police force is necessary.

1. JAPANESE POLICE BOX IN AMOY.

In view of the impending approach of the mid-autumn festival, the acting Minister of Finance finds it difficult to raise the necessary funds for the payment of the various items presented by the different ministries and the various military leaders. It is said that $4,500,000 is needed and that the acting Minister has only succeeded in raising half the amount.

2. INSUFFICIENT FUNDS TO MEET OBLIGATIONS BEFORE FESTIVAL.

Fighting for possession for the city of Ichang continued and on the 5th inst. the Szechuanese, by a strenuous effort, drove the northern troops across the river and the Szechuanese now hold the whole of the southern bank. The Szechuanese are planning to take the city of Ichang. Great anxiety is felt by all in the city as the General promised no substantial protection.

3. SZECHUANESE TAKE PART IN THE HUNAN-HUPEH WAR.

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No. [illegible] Date Sept. 5, 1921 Serial No. [illegible] (Commence new series each January first.) File No. 103-103 (Select proper number from O. N. I. Index.)

Source of information Local Chinese and foreign newspapers

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference

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OFFICE CHIEF OF STAFF
MIL. INTELL.
2657-J-204
WAR DEPARTMENT

CHINESE GOVERNMENTAL ACTIVITIES.
1. The Shantung Question.
2. Inclusion of Chinese Banking Group in Consortium.
3. Tuchuns disagree with Mukden warlord.

It is reported in the vernacular press that Japan is especially active in America and England working for the following objects: 1. To exclude the Shantung question from the agenda of the Pacific Conference; 2. To influence America and England to hint to China that she should settle the question with Japan at once in order to avoid any dispute between the two countries at the conference table.

1. THE SHANTUNG QUESTION.

Recently, when Mr. Stevens was in America, he made the proposal that the Chinese Banking group should be included in the Consortium. The Peking Chinese group called a conference to discuss the proposal and decided in favor of participating.

2. INCLUSION OF CHINESE BANKING GROUP IN CONSORTIUM

Owing to disagreement, Tuchuns Sun Lieh-chen and Wu Ching-sun have jointly wired to Chang Tso-lin stating that they desire to be relieved of their positions as Tuchuns of Kirin and Heilungkiang respectively, and, at the same time, recommending that Chang Tso-hsiang and Chang Jsueh-liang, the brother and son of Chang Tso-lin be appointed to these posts. Perhaps Chang Tso-lin will act on this advice and keep these posts for members of his own family.

3. TUCHUNS DISAGREE WITH MUKDEN WARLORD

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Date Sept. 2, 19[illegible] Serial No. [illegible] (Commence new series each January first.) File No. [illegible] (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

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CHINESE GOVERNMENTAL ACTIVITIES.
1. Activities of Anfuites.
2. To reopen eight government schools.
3. Trouble brewing in Shensi province.

OFFICE CHIEF OF STAFF
MIL. INTEL. DIV.
NOV
1921
26577-J-204
WAR DEPARTMENT

In a telegram to the provincial authorities, the Government states that information has been received from Shanghai to the effect that

1. ACTIVITIES OF ANFUITES.

Wang Yi-tang, Hsu Shu-cheng, etc. have established a news agency in that port which is issuing a Chinese, a Japanese and an English news services. As the main object of these men is to use this agency for propaganda work against the Government, the provincial authorities have been instructed to suppress their news services.

As a result of a meeting of teachers and directors of the eight government schools held yesterday, it was decided to reopen the

2. TO REOPEN EIGHT GOVERNMENT SCHOOLS.

schools after the summer vacation, leaving the question of the salt surplus to be settled later. It is learned that the schools will be opened next week.

According to information, the subordinates of Kuo Chien, who was put to death by General Yen Hsiang-wen, have gathered at Fenghsiang

3. TROUBLE BREWING IN SHENSI PROVINCE.

while General Feng Chin's army is mobilizing near the border of Shensi and ex-Tuchun Chen Shu-fan is also assembling his men. Chen has sent representative to secure the help of Liu Hsiang of Szechuan who has promised to send three divisions to assist Chen Shu-fan.

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From X. Date Sept. 2, 1921 Serial No. 518 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

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CHINESE GOVERNMENTAL ACTIVITIES.
1. An attempt to eliminate squeeze.
2. The Hunan situation.
3. Boxer leader will leave capital tomorrow.

12657-9.204

1. AN ATTEMPT TO ELIMINATE SQUEEZE.

In order to eliminate the bad practice of graft in the purchase of materials of the Railway Department of the Ministry of Communications, the Ministry, following the advice based on Mr. C. C. Wang's memorandum, has issued a set of regulations governing the purchase of railway materials.

2. THE HUNAN SITUATION.

Late telegrams indicate the fact that General Chao Heng-ti has not fled from Changsha and that he has joined hands with Wu Pei-fu in driving out the Kuomintang and other disturbing elements from the province. Wu Pei-fu has telegraphed to Chao asking him to meet him in Yochow for a conference. It is also reported that the Szechuanese are concentrating their forces with the view of capturing Ichang.

3. BOXER LEADER WILL LEAVE CAPITAL TOMORROW.

Prince Tuan, the Boxer leader who was exiled to Sinkiang for life, has fully recovered from his indisposition and will leave Peking under the charge of Captain Kuei Yin of the Metropolitan Police for Sinkiang. The Government has given $2,000 to the Prince as his travelling expenses and an additional allowance of $400 a month for his support.

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Date August 31, 1921 Serial No. 511 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

...of information Local Chinese and foreign newspapers.

Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

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Office of Naval Intelligence, Navy Department, WASHINGTON, D. C. FROM

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CHINESE GOVERNMENTAL ACTIVITIES.
1. Armistice granted by Wu Pei-fu.
2. Preparing for the mid-autumn festival.
3. To withhold names of conference delegates.
4. Bandits in Kiangsu province.

General Wu Pei-fu occupied Yochow without any fighting. It is stated that Generals Kung Keng and Chiang Tso-ping have fled and are en route for Shanghai. General Wu had a conference with a representative of General Chao Heng-ti and an armistice was granted.

1. ARMISTICE GRANTED BY WU PEI-FU.

With the approach of the Mid-Autumn Festival and realizing that he will be hard pressed by his staff for pay, General Chang Huai-chi, the Chief of the General Staff, has applied for leave of absence in order to avoid numerous embarrassments.

2. PREPARING FOR THE MID-AUTUMN FESTIVAL.

It is the intention of the Government to withhold the names of the Delegates for the Pacific Conference as late as possible in order to give as short a time as possible for the South to attack these delegates. One or two of the delegates will be referred to the South for its approval before formal announcement.

3. TO WITHHOLD NAMES OF CONFERENCE DELEGATES.

Bandits have been operating in several districts in Kiangsu under the leadership of Han Hui. Many telegraph poles and wires have been destroyed by them to delay communications.

4. BANDITS IN KIANGSU PROVINCE.

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Source of information Agent

M. I. 2.

Subject CHINA: MUKDEN (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITION (Subtitle.)

Office of Naval Intelligence
Navy Department
WASHINGTON, D. C.

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CONDITIONS IN MUKDEN, MANCHURIA - August 31, 1921.
1. Armored car purchased by Chang Tso-lin from Honigsberg Co.
2. Chang orders mammoth searchlight from Sperry Gyroscope Co.
3. Chang wants arsenal machinery.

MIC. COPY OF NAVY DEPT. MIL. INTEL. DIV.
1921 2617-J-205
WAR DEPARTMENT

The armored limousine which was ordered about twenty months ago by Governor Chang Tso-lin arrived in Mukden Sunday and was delivered to him on the following day. It is a wonderful creation, is armored-plated throughout and weighs between five and six tons. The engine is a 12 cylinder Packard but the chassis and body and many other parts of the car were specially made to order. It is provided with Westinghouse shock absorbers, powerful headlights and a powerful searchlight. Next to the driver's seat is an arrangement by which a Colt's machine gun can be mounted, the gun being a 1919 model, calibre .30. Every modern convenience has been supplied with the car and the interior is decorated with cloisonne and inlaid wood and silver.

1. ARMORED CAR PURCHASED BY CHANG TSO-LIN FROM HONIGSBERG COMPANY.

The Governor was very much pleased with the car and carefully inspected every detail and raised and lowered the steel shutters, each of which weighs about 70 lbs. He first took a ride with Honigsberg's agent, Mr. Hicks, then had his own chauffeur try the car, and the tests were entirely successful. When the car was in Shanghai Mr. Honigsberg telegraphed that the amount which was due in addition to the Tls.7,000 deposit money which had already been paid, was Gold $16,450.00. This fact was communicated to the Governor through the Foreign Office and he and the Foreign Office guaranteed the payment of this amount.

During the Governor's inspection it was noticed that a well dressed Japanese was present and he carefully observed all that was going

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From L. Date Sept. 5, 19 21 Serial No. 524 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information

Subject (Nation reported on.) (Index title as per index sheet.) (Subtitle.)

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on and listened to everything that was said. After the inspection the Governor and this Japanese went into a side room and had a confidential talk while Mr. Ricks, Mr. Baker and Messrs. Kuan and Kao from the Foreign Office were waiting in the reception room. When the Governor returned from his interview with the Japanese he made inquiries about the ammunition for the machine gun, none of which had arrived. He said that without the ammunition the gun was of no use and that he wanted at least a temporary supply of several hundred rounds and a larger supply from America as soon as possible. He asked Mr. Ricks to send through the Foreign Office a statement of charges and, except for the lack of ammunition, he seemed quite satisfied with everything.

The Japanese were very much annoyed about the Americans securing the order for the Governor's car and shortly before its arrival an article appeared in the local Japanese paper published in Chinese saying that the price of the car was altogether exorbitant, the gasoline tank was much too small and anyone could easily shoot holes in the tyres. From the moment the car was delivered the Japanese apparently did everything possible to poison the Governor's mind, and on Tuesday when the bill was presented the Governor said that the price was beyond all reason and that he was unwilling to make the payment which he had promised. Honigsberg & Company had added extra charges including duty, freight and other expenses to Mukden, amounting to about Tls. 2800. This item, it must be admitted, was somewhat open to question as the Gold $16,430 mentioned by Mr. Honigsberg apparently

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represented the final payment. Mr. Honigsberg, however, maintained that that merely covered the expenses as far as Shanghai and that the expenses from Shanghai to Mukden should be borne by the Governor. At the time the car was ordered the Tls. 7,000 paid by the Governor was equal to bout Gold $10,000 and Mr. Honigsberg credited the Governor with this amount, the total price of the car being given as Gold $26,430. Mr. Kuan, Commissioner for Foreign Affairs, in talking the matter over with Mr. Baker on Tuesday said that the extra charge of Tls. 2800 could not in any way be justified, and that if the car had been delivered at the proper time the Mexican equivalent of Gold $16,430 would have been about the same number of Mex. Dollars and that it hardly seemed fair to require the Governor to pay about double that amount in Mex. at the present time. He seemed to think, however, that the Governor would pay the Gold $16,430 if Mr. Honigsberg would forego the extra charges. After Mr. Baker's departure, however, he had an interview with the Governor and immediately telephoned to Mr. Baker asking him to make no definite proposition to Mr. Ricks until further advices were received.

This morning Mr. Kao, in charge of the Occidental Division of the Foreign Office called on Mr. Baker and explained to him and to Mr. Ricks who was there, the Governor's attitude. He said that he was not willing to pay a larger sum altogether more than Mex. $25,000 and that the Tls 7,000 deposit money should be deducted from this sum. He said that the car was nothing very wonderful and that he did not consider that it was worth more than Mex. $25,000 and that according to his

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recollection this amount was mentioned as the maximum at the time the car was ordered. According to the recollection of those present at the original interview there was no agreement as to price. Mr. Ricks stated that it was impossible to even estimate the amount as there was a large amount of special work, the cost of which could not be ascertained in advance.

The car as a matter of fact is very valuable and any one familiar with cars can readily see that the cost is not excessive. It was exhibited in Shanghai and advertised as a Gold $35,000 car and most people who saw it assumed that this was the approximate value. The Japanese themselves probably know that the value of the car is just about the amount that Mr. Honigsberg is asking but they see in this proposition an opportunity to discredit Americans and to make the Governor think that he is being cheated and the campaign against the car and against all Americans associated with it in any way has apparently been more or less successful. Mr. Ricks is telegraphing to Shanghai to see if Mr. Honigsberg is willing to reduce the original price, but as the difference between that and what the Governor is willing to pay is so great it is doubtful if any satisfactory understanding can be reached. The results of the present negotiation, however, will be reported in a subsequent letter.

Mr. Morgan, representing the Sperry Gyroscope Company recently secured an order from the Governor for one motor truck carrying two mammoth searchlights. The larger one will have a c.p. of about one and a half billion

21 CHANG ORDERS MAMMOTH SEARCHLIGHT FROM SPERRY GYROSCOPE CO.

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From I. Date Sept. 5, 1921 Serial No. 524 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

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Subject (Nation reported on.) (Index title as per index sheet.) (Subtitle.)

Reference

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and a smaller one a c.p. of about 600,000,000. The order was apparently placed by the Mukden Electric Light Works and amounted to about Gold $30,000.

In an interview which I had with the Governor since this letter was written, he stated that he wanted to buy several million dollars worth of machinery for manufacturing rifles, field guns and ammunition for the latter. I told him that there was an agreement among the powers not to sell to the Chinese any munitions of war or any machinery for their manufacture. He said that he had bought from the Italians a considerable quantity of arms and ammunition including anti-aircraft guns and that the prohibition in this regard did not extend to machinery and that a great deal of machinery can be used for general purposes. This information is sent to you in the strictest confidence and I would not want it known to anyone who is not associated with you in a very immediate way.

3. CHANG WANTS ARSENAL MACHINERY.

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From K. Date August 15, 1921 Serial No. 486 (Commence new series each January first.) File No. 103-100 (Select proper number from O. N. I. index.)

Source of information Chinese resident of Canton.

Subject CHINA; CANTON (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

Reference 2657-S-2-07

BRIEF.—(The review, indexing, and distribution of reports by O. N. I. will be greatly expedited if a brief summary of the contents is entered in this space. Mention leading geographical, personal, or political names, and the gist of the report.)

CONDITIONS IN CANTON - AUGUST 3, 1921.
1. C. T. Wang as delegate to Pacific Conference not acceptable to Canton. 2. Canton favors Tang Shao-yi as Chief Delegate. 3. Canton Government's views of Hupeh situation.

WAR DEPARTMENT

M. I. 2.

The Publicity Bureau of the Constitutionalist Government at Canton, now in charge of Eugene Chen, formerly editor of the Peking Gazette, and Guo Tai-chi, formerly private secretary to ex-President Li Yuan-hung, is preparing a statement denying that C. T. Wang, one time Chinese Peace Delegate to the Peace Conference in France, will be acceptable to the South as a delegate to the coming Pacific Conference on disarmament and "Far Eastern Questions". The Canton leaders accuse Wang of having exploited his connection with the South for personal gain. Wang is now unpopular here because of his failure to stand hard and fast with the Kuomintang under Sun Yat-sen and close connections with Peking through W. W. Yen, Foreign Minister under Hsu Shih-chang. At the earlier stage of the constitutionalist struggle, Wang was vice speaker of the extraordinary session of the National Assembly, or old Parliament, held in Canton in 1917. Later Wang was sent to America to represent the Southern interests, accepting a joint appointment from Peking and Canton as Chinese Peace Delegate at Paris, 1918. Since his return from Paris, Wang has taken no active part in the Constitutionalist Government in Canton, residing in Shanghai most of the time. Sun Yat-sen regards Wang as a young man still unsteady in his beliefs and principles and entertains no evil-feelings towards him; while his former associates, Guo and Chen, are bitterly against him. C.C. Wu, son of Dr. Wu Ting-fang, who is worse than Wang, as far as going into politics for personal gain is concerned, according to popular views among the younger circle in Canton, approves of issuing the proposed

1. C.T. WANG AS DELEGATE TO PACIFIC CONFERENCE NOT ACCEPTABLE TO CANTON

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statement against his one time predecessor in the Canton Foreign Office.

The South is working for direct official representation at the Pacific Conference, realizing that neither Wellington V. K. Koo nor C. T. Wang will well work for the interests of the Republic. The Southerners are blaming Koo for failing to have the twenty-one demands abrogated and having suggested to Peking to negotiate directly with Japan regarding the Shantung matter.

The South hopes to have Tang Shao-yi, a former Premier of the Republic, appointed a delegate to the Pacific Conference, C. C. Wu, Eugene Chen, Guo Tai-chi being suggested as secretaries to the delegation to assist Tang. Some have suggested that Wu, Chen, Guo and others should go over to assist the Chinese delegation even the South cannot get official representation at Washington in order to watch China's interests unofficially on behalf of the Constitutionalists. These gentlemen have stated that they would not do what they have done in Paris, unless officially attending. The Parliament in Canton has suggested the appointment of Tang Shao-yi, unless Sun Yat-sen and Dr. Wu Ting-fang would attend the Conference at Washington.

2. CANTON FAVORS TANG SHAO-YI AS CHIEF DELEGATE.

The coming struggle at Hupeh will call forth all the energy Sun Yat-sen has, and he has left the Pacific Conference question in the hands of Dr. Wu Ting-fang, the Foreign Minister at Canton.

The Constitutionalist Government in Canton has now its hands full. It has to get Commander-in-chief Chao Heng-ti of Hunan ousted before the

3. CANTON GOVERNMENT'S VIEWS OF HUPEH SITUATION.

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Kuomintang Party there is able to fully control the army against Hupeh, or more truly against Wang Chan-yuan, the Tuchun there. Kiangsi, neighbor to Kwangtung, has assured the Constitutionalist Government that it will not assist Hupeh.

That Wu Pei-fu may command the Hupeh situation before Sun Yat-sen can reach there is feared; but it is believed that Sun Yat-sen will be able to deal more easily with Wu than Wang, whose downfall, however, is daily expected. Whether or not Tuan Chi-jui and Tsao Kun will come over to Sun Yat-sen is still an open question, while it is confident that no opposition will come from them. That Chang Tso-lin of the Three Eastern Provinces will ultimately fall with the South-west and the Yangtsze Provinces against him is the belief here.

The Cantonese expedition against Wang Chan-yuan has moved its vanguards, and a military station has been opened at Shiukwan especially for the convenience of transportation overland to Hupeh by way of Hunan.

Kwangsi, while outwardly in the hands of the Cantonese army, has to be tranquillised. Many Kwangsi officers, while having surrendered, still withhold their arms and men from the Cantonese army and are joining the popular movement for provincial autonomy. The Cantonese will disarm all the former Kwangsi militarists, and the execution of the order to disarm will cause further fightings.

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Subject CHINA (Nation reported on.) STATE (Index title as per index sheet.) POLITICAL CONDITIONS (Subtitle.)

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POLITICAL CONDITIONS IN CANTON - JULY 28, 1921.

1. Military situation in Kwangsi.
2. Financial situation in Kwangtung.
3. Kuomintang activities.
4. Sun Yat-sen's dream.

1921 2657-J-207 NOV 7
WAR DEPARTMENT

As intimated in my last correspondence, the Constitutionalist Government in Canton under Dr. Sun Yat-sen has finally decided to take the second step after the suppression of Kwangsi militarism by extending its activities to Hupeh, the centre of next struggle for the unification of China according to the way of the Kuomintang or Citizens Party.

1. MILITARY SITUATION IN KWANGSI.

General Lu Yung-ting, the ousted warlord of Kwangsi, has resigned his official post of Inspector-General of Kwangtung and Kwangsi under commission of Peking and thus left the disputed territory in the hands of the Cantonese Army in Kwangsi, the chief problem of which now is how to place the many Kwangsi commanders who have either surrendered to the Cantonese Army or declared their independence of Lu Yung-ting so as to avoid a battle but yet retain their positions and keep their troops.

General Chen Chiung-ming, the Minister of War and concurrently Minister of the Interior of the Government at Canton, is now in Nanning directing the military affairs of the province of Kwangsi. General Lu Yung-ting, the defeated warlord, while officially a retired army officer, is still making his headquarter at Lungchow when last heard of, keeping a private residence, however, in Annam, just across the boundary, to avoid being arrested when the enemy comes

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hot after him.

General Chen is still watching Tsen Hung-ying, the most influential commander of the Kwangsi Army since the retirement of Lu. Tsen is going to Lungchow. He has sent his pledge of loyalty to President Sun Yat-sen, but his motive has not been taken yet as sincere. Tsen's disarmament will be demanded, and the last serious struggle will probably be the time when Tsen would refuse to comply with the order to do so.

2. FINANCIAL SITUATION IN KWANGTUNG.

The Canton Government has made no foreign loans officially or given any public assets as security as alleged. The rumor that Dr. Sun Yat-sen has procured a $12,000,000 Japanese loan has been officially denied by Dr. T. F. Lin, a secretary of the Canton Foreign Ministry.

The Kwangtung-Kwangsi war expenses are being paid from many sources, including the forced sale of a five million dollars domestic loan, the advance payment by the salt and other merchants of taxes or license fees, the curtailing of the expenses of the civil administration, the over-issue of the Provincial Bank of Kwangtung notes, a system of money making very useful as long as the people has confidence in the Government.

The success of Kwangtung in arms has given prestige to the

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Government and added confidence for the authorities. As long as the people is willing to accept the paper money of the Government Bank, which now circulates its notes in Kwangsi also, the necessity of foreign loans may be avoided. Some weeks ago the small bankers were made to understand that any sign of distrust on their part in the government notes will ultimately work towards their self-destruction, as they are the holders of these bank notes in large quantity. The sources of income of Kwangtung can be better administered; and if the people can be made to understand the power and possibility of a good government in the development of public resources, not only five but ten or twenty millions of dollars worth of public bonds may be issued.

Among the probable civil governor of Kwangsi candidates will be Tang In and Dr. Ma Chun-wu, all Kwangsi-ites. The commander-in-chief of troops in Kwangsi may be a Cantonese.

The Kuomintang and other politicians in Hunan, Szechuan, and Hupeh have been for the last few months

2. KUOMINTANG ACTIVITIES.

very active in the Upper Yangtze preparing to oust Tuchun Wang Chan-yuan from Hankow. The officers of the army in Hunan especially have long decided to undertake the advance movement, and the President Dr. Sun finally instructed the troops of Szechuan and Hunan to move towards Hankow, other provinces

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following. Dr. Sun has also expressed his desire to lead one of the three divisions to be sent to Hupeh from Canton.

The move of the second step after Kwangsi has been taken is to occupy Hupeh so as to preserve all provinces south of Yangtsze constitutional. The movement for provincial autonomy led by Kwangtung is being followed by several other provinces, and more joining the scheme will practically force Peking to dissolve itself.

4. SUN YAT-SEN'S DREAM.

That Dr. Sun will soon be able to deliver another presidential address in Nanking is the hope of his followers here and elsewhere. It may be recalled that the doctor was inaugurated as the provisional president of the Republic in 1911 in Nanking.

The Foreign Ministry of the Canton Government has refused to contradict the report as the press has circulated that the Japanese have been assisting the Kwangsi militarists in their war against the Cantonese. The Japanese Consulate-General at Canton has complained to the Canton Government that Mr. Ma Soo, Dr. Sun's representative at Washington, has given out statements alleging the breach of neutrality by the Japanese in siding with Kwangsi and Peking.

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